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NEWS SUMMARY

GENERAL

Saudis behead 63 rebels

Saudi Arabia beheaded 63 of the religious fanatics who seized the Great Mosque in Mecca for two weeks last November.

The Government said the executions were carried out in several cities after an edict by Saudi religious leaders.

Seizure of the Great Mosque was followed by a two-week battle between fanatics and Saudi troops. The Ministry of Information said 143 attackers had been arrested, and apart from those executed, 19 were jailed, 38 released, and 23 were sent to corrective institutions. Page 4

7 die in clash

At least seven people were killed and hundreds wounded when local *Azerbaijani Turks* clashed with supporters of Ayatollah Khomeini in the north-west Iran town of Tabriz.

Hotel hostages

Armed Corsican separatists invaded one of Ajaccio's main hotels and held about 20 visitors hostage. *The action followed the* capture earlier this week of three men supporting union of the island with France. Page 2

N-plant ordered

The Ministry of Defence has ordered a nuclear plant to be built at Capenhurst, Cheshire. *The plant will make enriched* uranium to fuel the UK's fleet of 15 nuclear submarines. Back Page

Tankers collide

About 630 barrels of heavy oil poured into the sea off Japan's south coast after a collision between a Japanese oil tanker and a South Korean chemical tanker.

Ulster tactics

Ulster Secretary Humphrey Atkins attempted to keep the constitutional conference on Northern Ireland alive by trying to steer clear of the most contentious issues, Irish unity and security. The conference was adjourned until January 21. Page 7

Docherty attack

Two men were summoned for allegedly attacking Queens Park Rangers' soccer manager Tommy Docherty on a train last month. They are due to appear in court in Stockport on February 13.

Kidnappers' ruse

Kidnappers of British heiress Teleri Jones, 43, and her son Owen, 16, may have posed as army officers, Bogota newspapers reported. She unwittingly *invited the men to eat at* the family ranch.

Miss World bid

Thames Television has outbid the BBC and three U.S. competitors for the television rights to Eric Morley's Miss World contest in a deal unlikely to be worth less than £750,000 in basic fees.

Briefly . . .

Sir Charles Curran, former Director General of the BBC, died aged 58. Obituary, Page 6

Vietnam accused China of moving more troops and materials along their common border this month.

Four Vietnamese drowned off Manila in a scramble to get on board French freighter Tourville.

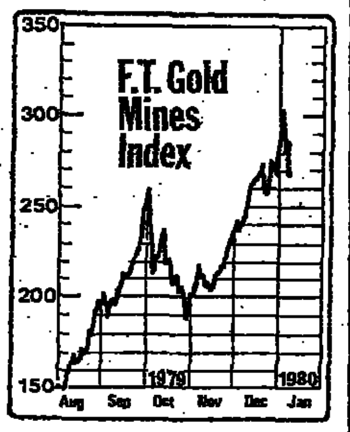
All 29 people on board a Spanish ship in Falmouth harbour, were rescued when fire broke out.

Pakistan retained the *Champions'* hockey trophy by beating the UK 6—1.

BUSINESS

Sterling firmer; Gold off $7

● STERLING improved against most currencies to close at $2.2665 ($2.2620) its best closing level since last August. Its trade weighted index rose to 71.1 (70.9), its highest level since September 11. DOLLAR closed at DM 1.7115 (DM 1.7135). Its trade weighted index fell to 84.2 from 84.4.



● GOLD fell $7 to close at $610 in London after touching $613 in comparatively mild trading.

● EQUITIES drifted for most of the day, after a sudden upsurge at the start on monetary growth comment, before firming in the after hours trade. The FT 30-share index gained 7.9 to close at 423.5. The FT Gold Mines index fell 12.7 to 266.5 for a two-day loss of nearly 20 points.

● GILTS were subdued and the FT Government Securities index rose 0.04 to 65.34.

● WALL STREET was up 1.19 at 852.90 near the close.

● GOVERNMENT has promised to make a speedy decision on the proposals of the Finniston Inquiry into the engineering profession, which calls for far-reaching changes in the structure of the profession and the education and training of engineers. Back and Page 8: Editorial comment Page 22

● BRITISH PETROLEUM is to refine 50,000 barrels a day of Saudi Arabian crude in its *European refineries. Previously* Saudi oil has been sold to U.S. companies. Back Page. Tokyo companies sign oil agreements. Page 4

● IRISH Prime Minister announced plans to cut Government spending and borrowing. He said the balance of payments deficit for last year will be £760m, more than £100m worse than previous estimates. Back Page

● *NEW car sales in the UK last* year reached a record 1,716,275, according to the Society of Motor Manufacturers and Traders. Page 6

● BANKING, INSURANCE AND FINANCE UNION, which represents 68,000 workers in the English clearing banks, is *claiming 25 per cent increases* for its members with higher increases for specific groups. Page 8

COMPANIES

● WESTLAND AIRCRAFT reported pre-tax profits of £15.27m for the year ended September *30, 1979, compared with a loss* of £2.86m for the previous year. Page 24

● HOGG ROBINSON GROUP, the insurance broker, saw pre-tax profits for the six months to the end of last September fall £635,000 to £2.73m on turnover up from £15m to £16.3m. Page 24

● McCORQUODALE AND COMPANY, the specialist printing group, recorded an increase to *£4.63m from £4.12m in pre-tax* profits for the year to September 30, 1979. Page 24

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas. 3pc 1982	£84¼xd	+ 1
Assed. Dairies	172	+ 6
Boots	168	+ 5
Clive Discount	68	+ 6
Corinthian	36	+ 4
Granada A	144	+ 11
Harris Queensway	148	+ 12
Ibstock Johnsen	59	+ 4
Imray	510	+ 25
Johnson Matthey	240	+ 13
Land Secs.	256	+ 6
ML Holdings	203	+ 11
Mgt. Agency Music	120	+ 8
Marks and Spencer	85	+ 4
McCorquodale	103	+ 15
Pentos	61	+ 6
Racal Elec.	208	+ 9
Smiths Inds.	191	+ 9
Somportex	90	+ 12
Thorn Elect.	292	+ 14
Vickers	117	+ 5½
Vosper	185	+ 10
Westland	69	+ 12½
Wilkinson Match	157	+ 9
Siebens (UK)	444	+ 34
Ashton Mining	170	+ 21
CRA	271	+ 23
Northern Mining	158	+ 18
RTZ	354	+ 12
Tanks Cons.	274	+ 26
Westmex	27	+ 7

FALLS		
Barclays Bank	406	— 7
Bowring (C. T.)	183	— 5
Sothebys	395	— 8
Anglo Amer. Gold	£37	— 1½
Blyvoor	496	— 46
Hartebeest	£22½	— 2½
Rustenburg Plat.	238	— 14
Vaal Reefs	£26½	— 1½
Western Deep	£15½	— 1

Western banks will take tough line on loans to Soviet bloc

BY FRANCIS GHILES and MICHAEL LAFFERTY

International banks are expected to adopt a much tougher stance in future lending to the Soviet Union and other East European countries following the Soviet invasion of Afghanistan. This was confirmed yesterday by leading American and British international bankers in London.

Meanwhile, the U.S. authorities have asked Japan and West European countries to reduce official and government-guaranteed credits to the Soviet Union. However, bankers in London and other European centres were expressing doubts yesterday as to whether some countries—particularly France and West Germany—would take serious steps to curtail such credits, if only because they would not wish to jeopardise their own exports.

In the past 10 years East European countries have been granted easy access to the international capital markets to help finance their acquisition of western capital goods and technology, an essential ingredient of their development plans.

Last year they borrowed *$3.7bn, as much again as in the* two previous years. Over the past four years aggregate Soviet bloc bank borrowings have amounted to $9.5bn.

The country which is likely to be hardest hit is Poland, whose total hard currency net debt amounts to $17bn. Poland is shortly expected to seek *another major loan and is esti*mated to need between $4bn-$5bn, just to make its scheduled annual repayments.

One leading London banker yesterday went so far as to declare: "I do not think they will be able to raise that amount of money."

Along with other bankers he predicted that East European countries find Western bank loans more difficult to raise and that they would also have to pay more for their loans than market conditions would otherwise have indicated.

The British banker also spoke of a noticeable change in banks' perception of the risks involved *in lending to Comecon countries.* Whereas up to now most banks have considered each East European borrower on its merits an increasing number are rating Comecon as a *single risk.*

A number of medium-sized bank credits (in the region of $200m each) are in the pipeline for East European borrowers. London bankers expect these to provide an indication of how difficult it will be for Comecon countries to raise loans, and on what terms they will be available.

The Soviet Union itself is unlikely to be adversely affected by the reluctance western banks may display. Its external *trade balance improved last* year under the combined effects of high gold, oil and other metal prices.

Figures published by the *Bank for International Settlements* last June show that the Soviet Union owes western banks $6.8bn more than it has on deposit with them. At the same date, net US bank claims on the Soviet Union amounted to only $487m.

The Soviet Union has repaid substantial amounts ahead of schedule and is not expected to need further hard currency loans this year.

The possibility raised by some bankers that the Soviet Union might force Poland to default on its debt, as a means of retaliation against any concerted effort to starve ast Europe of western capital, was considered very unlikely at this stage.

BONN TALKS CALLED OFF

THE Soviet Union has requested indefinite postponement of a meeting in Bonn of the joint Soviet-West German economic affairs committee planned for the end of this month. In the U.S. news that dockers are to buoycott any grain shipments to the Soviet Union brought down prices when the Chicago markets opened. Back Page: other U.S. moves over Afghanistan Pages 2 and 35

Europe backing for U.S. on Iran

By David Buchan in Washington

MAJOR EUROPEAN countries and Japan have agreed in principle to take further financial steps against Iran. They have told the U.S. that these will be put into effect if the United Nations brings in sanctions against Iran over the holding of U.S. hostages in the Tehran embassy.

The measures to which America's partners have conditionally agreed fall short of *freezing Iranian assets in their* banking systems, as the U.S. itself did last November. But they *include:*

● Restrictions on new borrowing by Iran;

● Restrictions on Iranian customers opening new interest-bearing bank accounts;

● *Limitations on Iran converting* its dollar assets into other currencies.

There is already agreement between the U.S. and other major Western countries not to step up purchases of Iranian crude, to pay only in dollars and to resist paying the high spot market prices which Iran has been demanding.

Outlining the new agreement, State Department officials said yesterday that "allied countries have been co-operative" in their co-ordination of pressure on Tehran.

The groundwork for such steps was laid last month, when leading U.S. State and Treasury Department officials visited Europe and Japan. Few of the U.S.'s allies apparently want to go as far as blocking all Iranian assets, *for fear of retaliation* against their remaining interests in that country. The U.S. froze nearly $9bn of Iran's assets, most of it in banks in the U.S. *and in U.S. bank branches* abroad.

News of possible further financial reprisals against Iran that would hit at Tehran's *ability to finance trade and* development came as the U.S. was this week starting consultations with its fellow 14 members on the UN Security Council on international economic sanctions.

The U.S.-drafted sanctions proposal now being circulated in New York provides for financial measures, as was the case in the 1966 and 1968 UN boycotts of Rhodesia.

Officials in Washington said the U.S.'s major allies had for the most part made it very clear that only an international mandate could over-rule domestic

Continued on Back Page

Iran trade takeover may be delayed Page 4

Steel pickets threaten jobs warns CBI

BY OUR INDUSTRIAL AND LABOUR STAFF

STRIKING steelworkers kept up a strong picketing campaign around the country yesterday as the Confederation of British Industry warned that thousands of jobs could be lost if the strike continues.

Sir John Methven, director general, warned that *the strike* would worsen the position of many companies which were still trying to recover from last year's road haulage and engineering strikes.

The effectiveness of picketing is forcing a number of companies to reconsider original optimistic forecasts about the length of time they are likely to be able to withstand the effects of the strike.

The International Steel Trade Association, the industry's largest trading association, last night sent a message to the Government warning that the effects of picketing were worse *than had so far been reported.*

Steel union leaders continued to tell pickets to avoid private steel manufacturers although they say this does not include stockholders which might be supplying British Steel Corporation customers. But there were continuing reports of picketing at some private steel works and other third parties, including Metal Box, yesterday.

The Engineering Employers Federation said that growing *reports of secondary picketing* showed that voluntary codes were ineffective in practice and that the proposals now before Parliament in the Government's *Employment Bill were absolutely necessary.*

In Sheffield yesterday five pickets arrested outside Hadfield's, a private steel manufacturer, were given conditional discharges when they appeared in court on obstruction charges. There were two more arrests yesterday.

An attack on the Government for "abdicating its responsibilities" over the steel strike was delivered yesterday in front of the Prime Minister by Mr. Len Murray, TUC general secretary.

Speaking at the start of a National Economic Development Council meeting, Mr. Murray said the Government was hindering the solution of the steel dispute and was "not facing up to its proper responsibilities in the management of the nation's affairs."

He said the *NEDC was not* the right place to discuss the merits of the dispute, but he wanted to say that the "parameters for negotiation had been *determined* by the Government which must accept responsibility."

Speaking just before the NEDC discussed the adoption of *high technology in industry,* Mr. Murray said technological and structural problems facing the steel industry had been "grossly intensified by unreasonable narrow and short-sighted Government policies."

Mrs. Thatcher agreed that the NEDC was not the place for talks on the dispute, and said she deeply regretted the breakdown in the recent talks. She hoped the dispute would not be prolonged and that an early settlement would be reached in the interest of the industry's affected.

Mr. Murray then said it was astonishing that the Government showed no signs of accepting responsibility. "It is sitting on its hands and this is an abdication of responsibility."

NEDC meeting Page 6
Strike effects Page 8
Economic Viewpoint Page 23

No shipbuilding offer

UNION officials representing 80,000 British Shipbuilders employees, who fear they may face similar problems over their pay *claim to the steelworkers,* were not made an offer at negotiations in Newcastle yesterday.

The corporation will not now reply to the union claim until next month, and some union negotiators saw this as a move to allow BSC to make the running. The shipbuilding unions, like the steelworkers, want compensation against the current rate of inflation.

Sir Charles Villiers, chairman of BSC, and Sir Derek Ezra, chairman of the National Coal Board, are due to meet members of the TUC's nationalised industries committee today to discuss the problem of coking *coal imports to BSC plants.*

Welsh trade union representatives will use the meeting to press for wider industrial action from January 21 in the coal and *steel industries against the* latest BSC closure plans.

£ in New York

—	Jan. 9	Previous
Spot	$2.2550-2565	$2.2645-2650
1 month	0.45-0.40 dis	0.43-0.38 dis
3 months	1.16-1.11 dis	1.13-1.08 dis
12 months	4.25-4.05 dis	4.00-3.80 dis

EEC to lend UK £700m for coal development

BY GILES MERRITT IN BRUSSELS

THE EUROPEAN Commission yesterday announced loans totalling almost £700m for Britain's coal industry and for coal-based energy development.

The Brussels announcement came within hours of a speech by Mrs. Margaret Thatcher, stressing the importance of such EEC finance as a way of solving the British budget contribution problem.

Mrs. Thatcher had told members of the European Parliament that increased EEC spending on UK projects would help restore Britain's *expected £1.2bn deficit of the 1980* Community budget to a broad balance.

The scale of the new loans approved, together with a series of recent announcements in Brussels of European aid for steel and engineering projects in the UK, suggests that since the New Year, the Commission has also been determined to emphasise that Community *spending represents the solution* to the British budget contribution row.

The two major European Coal and Steel Community loans will not, strictly speaking, counterbalance Britain's EEC budget deficit at all. Although the funds are being raised and transferred by the European Commission, they are part of the ECSC budget, which is separate from the Community's.

The coal-related loans are part of a £1bn finance package being granted to the Electricity Council and the National Coal Board to fund half of a £2bn programme.

The ECSC is to provide £500m in loans for the £1bn Drax B *coal-burning power-station* to be built in Yorkshire, and is prepared to provide a total of £500m in ECSC finance for the NCB's new mine under development at Selby, Yorkshire.

Under these arrangements, the Brussels Commission has approved a £190m loan to follow the £65m loan for Selby granted in 1978. This second tranche will cover the ECSC's share of expenditure up until March, 1983.

On the overall £500m loan facility granted for Drax, the Commission expects to release the first tranche fo up to £80m during this year.

Since the New Year, the European Commission has also been able to announce a package of small ECSC and European investment bank loans to industry in Scotland and North-east England, and the award of special aid funds to the British steel industry.

The £3.32m package was for job-creation purposes, but it was emphasised that it was part of a 1980-81 scheme expected to funnel £200m in loans to British industry.

The special aid fas a £7.8m ECSC grant for the training and resettlement of redundant steel workers that took the British *steel industry's level of loans* from the ECSC from 1973 to around £400m.

The Central Electricity Generating Board, which puts the latest cost of *Drax B* at *£762m,* substantially lower than the figure given in Brussels, estimates that the 4,000 MW power station will be commissioned in 1986.

Post Office plans new councils

BY JOHN LLOYD

THE POST OFFICE has proposed two national joint policy councils, in which the corporation's chairman and the managing directors of its three businesses would meet general secretaries of the Post Office unions.

The councils would replace the two-year experiment in *industrial democracy at board* level, which ended last month.

The councils would run in parallel with the new boards *which now control two effec*tively independent corporations —posts and Girobank; and telecommunications.

Sir William Barlow, Post Office chairman, sees the joint policy councils as continuing the tradition of worker representation, but at a higher level.

The councils would discuss issues of policy, planning and performance before they were considered by the business boards. Union views would be taken into account by the boards.

The proposed councils are seen by Sir William as a more effective way than the previous system of learning the unions' reactions to future moves since the worker directors were, in most cases, officers below the first rank in their unions.

The Council of Post Office Unions, which is negotiating with the corporation on the issue on behalf of the unions, is not opposed to the proposal in itself, but is against any plans which would remove union representation at board level.

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For latest Share Index phone 01-246 8026

Opposition proposes coalition with Demirel

BY METIN MUNIR IN ANKARA

THE MAIN opposition leader in Turkey, Mr. Bulent Ecevit, yesterday proposed a coalition between his social democratic Republican People's party and the free enterprise Justice party of Mr. Suleyman Demirel, the Prime Minister.

This is a partnership wanted by the Turkish generals who issued a stiff warning to the political parties a week ago that they must reach agreement on ways to deal with the country's problems. Among its other proponents are Mr. Fahri Koruturk, the President, and the business community in Istanbul.

Mr. Ecevit's surprise proposal was made in an oblique way after a meeting with the President.

"If Mr. Demirel is to propose a coalition to the Republican People's party," he said, "I would support such a proposal and bring it before the party's executive board.

Mr. Demirel, however, has made no such proposal and has not even hinted that he is considering a coalition with his principle adversary. Nor was he immediately available for comment.

Turkey-U.S. defence pact agreed

BY OUR ANKARA CORRESPONDENT

TURKEY AND the United States have agreed the draft of a new defence treaty in negotiations which have been accelerated by the Soviet invasion of Afghanistan. The agreement gives the U.S. the right to continue operating its vital bases on Turkish soil but stipulates that they will be used strictly for NATO purposes.

Special permission would be required from Ankara for the use of the bases for "American purposes," said a U.S. diplomat.

Turkey, which has important ties with the Soviet Union, Iran and Iraq linked to crude oil supply and economic aid, is keen to avoid the impression that the U.S. bases are aggressive in nature or can be used for purposes other than those stipulated under public treaties. Ankara was reluctant to allow the U.S. to use one of its air bases last year for the evacuation of personnel from Iran.

The Turkish Government's reaction to the Soviet invasion of Afghanistan has been guarded and low-key.

The bases are mainly intelligence-gathering centres which enable the Pentagon and the U.S. Central Intelligence Agency to monitor Soviet missile and nuclear weapon tests and general military activities in the region. These gained in significance following the Islamic revolution in Iran and the Soviet incursion into Afghanistan which emphasised Turkey's strategic value for the West.

The draft treaty, concluded at an all-night session on Tuesday, is to be initialled after it is studied by the governments in Ankara and Washington. Meanwhile, the provisional status under which the bases have been operating for 15 months was extended yesterday for a further 45 days.

The pact includes a foundation agreement and three annexes: defence assistance to Turkey, U.S. investment in the Turkish armaments industry, and rules under which the bases will operate. It is expected to provide Turkey with about $450m a year over the next five years in military and economic assistance.

It brings to an end the souring of Turkish-U.S. relations, sparked off by the 1974 Cyprus war which led to the U.S. embargo on arms supplies to Turkey and the closure of the U.S. bases on Turkish soil.

David Palmer adds: Lord Carrington, the British Foreign Secretary, yesterday met Senator Hayrettin Erkmen, the Turkish Foreign Minister, on the first stop of his five-nation tour to review the impact of the Iranian and Afghanistan crises.

Lord Carrington regards Turkey as "pivotal" to NATO. Before his arrival, he expressed his concern about the future of Turkey and about its position on the eastern flank of NATO.

The talks with Sen. Erkmen consisted of an exchange of views on the implication of both the Soviet invasion of Afghanistan and of the situation in Iran.

MARTENS TRIES TO HOLD COALITION TOGETHER

Belgium's 'last chance' fading

By Giles Merritt in Brussels

Mr. Martens: potential casualty of Belgium's "language war."

IN BELGIUM, "going to the palace" carries the opposite meaning to that understood by British politicians. Far from involving an invitation by the monarch to form a government, a trip by a Belgian premier to King Baudouin's residence facing the elegant Parc de Bruxelles tends to signal imminent resignation.

Mr. Wilfried Martens has just visited the palace to inform the King of the rapidly deteriorating political situation in Belgium. Unless his fragile coalition receives an eleventh hour reprieve he may shortly be returning there to give formal notice that he is stepping down.

If he does so, what has been labelled Belgium's last chance Government will have collapsed after only nine months in office. The country will be faced with fresh elections—the third since 1978—and the likelihood that polling will not produce a new Government very rapidly.

Political vacuum

Mr. Martens' unwieldy six-party coalition was eventually born out of a four-month political vacuum that last until April, 1979.

At 43, Wilfried Martens is the EEC's youngest Prime Minister and, despite his comparative lack of experience, has proved resourceful and resilient.

Last December, fast political footwork enabled him to defuse two very real crises that threatened the survival of his Government, but his skill has not been enough to cope with the bitter rivalry between francophone Walloons and Dutch-speaking Flemings that is the bugbear of Belgian politics.

The two issues were defence and unemployment. The first crisis came in early December when NATO Foreign and Defence Ministers were meeting in Brussels to decide on the installation of a new generation of U.S. nuclear weapons in Europe.

Left-wing opposition—fuelled by a rare mass protest march in Brussels — to the Government's executive decision to site the missiles at one point risked unseating the coalition.

Just as damaging was the 24-hour general strike called earlier in the month by the powerful FGTB union umbrella organisation that dominates labour in the industrial centres of Wallonia.

Prompted by mounting unrest over Government plans for big cutbacks in public spending at a time when unemployment is almost 9 per cent, the stoppage halted industry, public transport, newspapers, banking and retailing throughout the francophone southern half of the country and was followed to a lesser extent in Dutch-speaking Flanders to the north.

The economic problems that face once-wealthy Belgium are certain to increase such social tension in coming months, yet it is the Walloon-Flemish "language war" that really spells trouble for Belgian governments.

At first sight, this gives Belgian politics an air of unreality, even though the rivalry does not entirely concern which of the two communities should have the upper hand in running Belgium. It is also based on Flemish resentment that the more thriving, some would say more industrious, business sector of Flanders should be forced to fund the outdated industries of Wallonia.

It is Mr. Martens' attempt to construct a compromise based on turning Belgium into a federal state that could soon be his undoing. The idea of awarding both Flemings and Walloons self-government is now widely accepted. The stumbling block is Brussels itself; the Belgian capital is largely French-speaking but occupies Flemish territory.

The political crisis now coming to a head began in mid-December, when Mr. Martens' own party, the Flemish Social Christians, rebelled against the Government's plans to make Brussels a third self-governing region.

That would have meant two francophone regions compared to only one for the Flemish, so that political representation and clout would be in inverse proportion to economic weight.

The backlash from the francophone parties in the coalition was delayed by the Christmas holiday, but has erupted in the shape of an imminent walk-out from the Government of the militant FDF francophone party that controls Brussels and the large Parti Socialiste that represents the Walloon Left wing.

Constitutional limbo

Although Belgium's French-speaking Social Christians are apparently prepared to allow Brussels to go into constitutional limbo for the present, the defection of the FDF and Parti Socialiste would bring the coalition down.

If Mr. Martens' negotiations with the party leaders prove as fruitless as most Belgian observers are predicting, Belgium faces a grim political future. Successive government collapses in recent years have hardened Flemish and Walloon attitudes, while the fragmented political structure of the country produces undecisive general election results that only compound the impasse.

Barre to join hunt for hours agreement

By David White in Paris

THE FRENCH Government plans to take the initiative in seeking a national pact on working hours, following the breakdown of talks on Tuesday between unions and employers.

After a series of meetings spread over a year and a half, the five union federations taking part all refused to endorse proposals for a new, flexible system of annual working-hour quotas, drawn up by the Patronat, France's employers' federation.

M. Raymond Barre, the Prime Minister, said he would ask M. Jean Matteoli, the Labour Minister, to try to relaunch the discussions by holding separate talks with each of the union bodies. M. Matteoli is currently convalescing from a heart complaint.

The Government will have to tread softly to try to avoid a sharp union riposte. It favours the *principle* of a more flexible system, which some companies already operate, although this is against the letter of the law. But it will presumably have to go some way towards satisfying union demands for an actual reduction in hours.

Only one of the principal union federations, the left-wing CFDT, has shown itself ready to accept a less rigid system than the 40-hour basic week, which French workers won in 1936.

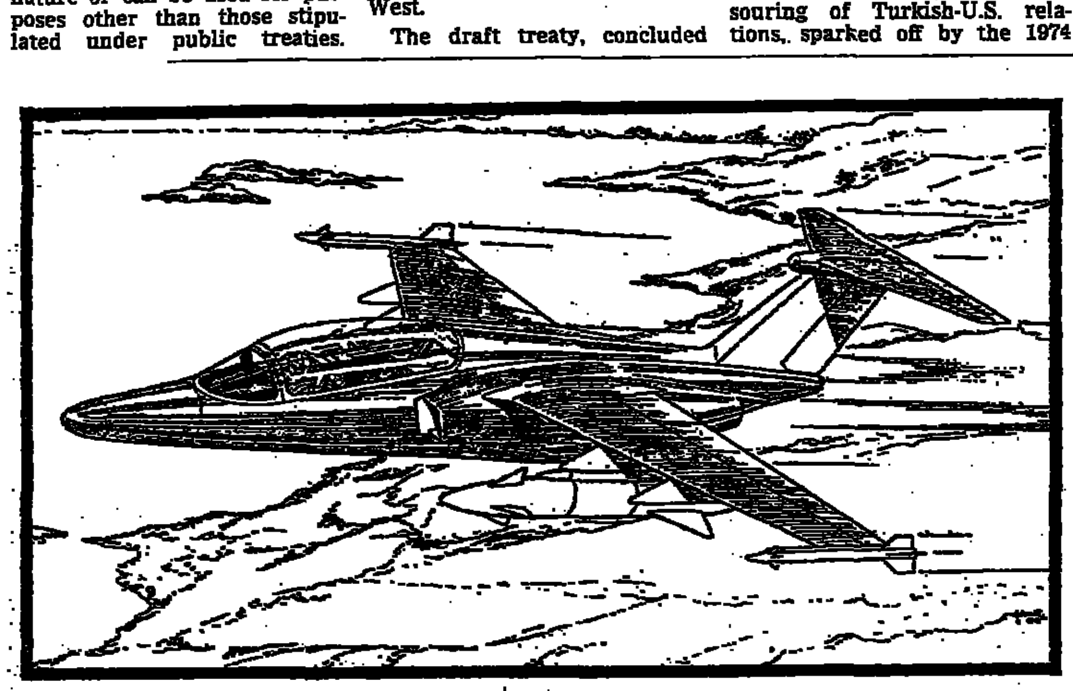
Both the Communist-led CGT, the largest French union, and its moderate rival, Force Ouvrière, have stuck to the principle of weekly hours, insisting on a reduction which will point the way towards their 35-hour week goal.

The Patronat offered an extra five-days' holiday on top of the month to which all French workers are entitled, but it pegged this to an anti-absenteeism clause which required 232 days' presence each year, in order to qualify for the extra leave.

Its proposals included a basic annual quota of 1,856 hours, plus an annual overtime quota which would start at 220 hours and drop to 180 hours in 1982.

According to union representatives, this would, in fact, mean an increase of five hours in the average working week this year from the current level of just under 41 hours. A last-minute adjustment in the Patronat's proposals, cutting the number of extra hours to 150 in 1983 and providing for further *reduction after that*, failed to appease the unions, which want stricter control of overtime.

The CGT yesterday said it would propose a renewed programme of joint action with the CFDT in protest against government economic policies. Rail services are due to be hit severely next week, with both the main federations calling members out on strike from this Saturday onwards to back claims for better pay and working conditions, and the powerful independent drivers' union planning a stoppage lasting from Monday to Wednesday morning.



Artist's impression of the new Swedish fighter.

Large foreign content in latest proposal for Swedish fighter

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

SWEDEN'S air force commander, Lt.-Gen. Dick Stenberg has asked the Government to order a new light trainer/attack aircraft from Saab-Scania. This is the latest attempt to preserve the development capacity of the Swedish aircraft industry.

The Government and Riksdag (Parliament) have previously rejected as too expensive two projects for a more advanced aircraft.

Saab's new design, designated the SK 2, is smaller than the models proposed earlier and will contain a larger proportion of foreign equipment. Its advantage is that it is cheaper and can be accommodated within the recommended budget for the defence forces.

Lt.-Gen. Stenberg wants 160 of the twin-engined aircraft to be delivered between 1987 and 1994. At a cost of roughly SKr 50m (£5.5m) for each aircraft, total expenditure would be some SKr 8bn, of which SKr 2-3bn would be spent on development.

The aircraft would have a speed of around Mach 0.8. It would be equipped with air-to-sea and air-to-ground missiles, guided bombs and automatic cannon, although the range at which it could strike at seaborne invading forces would be less than that provided for in the earlier Saab designs.

A large part of the SK 2's electronics will be bought abroad, mostly from the U.S. The aircraft's nose unit and possibly even the pilot's cockpit would also be manufactured abroad. The main competitors for this sub-contract are British Aerospace and Italy's Macchi.

The Air Force commander has rejected the other alternatives on which the Government instructed him to report last April. These comprised the building of a new trainer and the modernisation of the Air Force's existing Saab Draken aircraft to fulfil an attack role; the development of a new attack version of the Saab Viggen interceptor: and the purchase of a foreign aircraft.

Swiss GNP increased by 3.2% last year

By John Wicks in Zurich

SWITZERLAND'S gross national product rose in absolute terms by some 3.2 per cent to an estimated SwFr 162bn (£45.4bn) last year, according to a report issued by the Government working party on economic forecasts. In real terms, growth was about 0.75 per cent, compared with only 0.2 per cent in 1978.

For 1980, the working party expects GNP growth will be nearly 1.5 per cent in real terms, and the inflation rate is predicted at around 4 per cent, or rather lower than the present annual level of 5.2 per cent.

The major impetus for the economy this year is expected to come from rising domestic investments, with construction spending up by 3 or 4 per cent and capital expenditure on equipment by about 6 per cent. Private consumption is seen as rising at the 1979 rate of 1.5 per cent.

Although a rise in export volume of some 3 per cent is expected, government economists believe the trade gap will continue to widen bringing a further decline in Switzerland's surplus on current account.

● The Swiss National Bank has dropped its investigations into allegedly irregular foreign exchange transactions involving the Zurich branch of Citibank. Enquiries had been started late in 1978 after claims by Mr. David Edwards, a former Citibank employee, that currencies had been traded between various international branches at artificial exchange rates in order to "park" profits.

The Zurich weekly Weltwoche quotes Dr. Fritz Leutwiler, the National Bank president, as saying the matter can now be considered closed as far as the National Bank is concerned.

Nevertheless, Dr. Leutwiler said that some operations which had been carried out were "hardly compatible" with Swiss foreign exchange regulations.

"*We can assume that not all* dealings took place in complete innocence," he said.

Despite this, intentional contravention of Swiss regulations could not be proved, the National Bank president said.

Sa Carneiro consults opposition

BY JIMMY BURNS IN LISBON

PORTUGAL'S Centre-right Government yesterday prepared for the first parliamentary test on its programme by meeting leaders of the main opposition parties.

Consultations between Cabinet and opposition on budget, foreign policy and defence matters are provided for by Portugal's Statute of Opposition But yesterday's meeting was the first time that a Government has invoked the law since it was approved in 1977.

The talks appeared to be aimed at creating a climate of political consensus and at dispelling fears that Portugal's first right-wing Administration since the 1974 revolution is set on confrontation. The move is in line with a promise made by Sr. Francisco Sa Carneiro, the Prime Minister, after his election victory in December and with more recent statements made by members of his Democratic Alliance.

Although the alliance gained a majority of six in the 250-seat Assembly, the Socialist and Communist parties both obtained a high proportion of the popular vote.

The alliance only just scraped through the first major challenge to its unity yesterday. Social Democrats, Christian Democrats, Monarchists and former Socialists who make up the alliance unanimously endorsed Sr. Leonardo Ribeiro de Almeida as president of the Assembly. Sr. Almeido, a Social Democrat, had earlier faced opposition to his candidacy from within the alliance.

Pravda attacks Yugoslav Press critics

By Anthony Robinson, East Europe Correspondent

THE SOVIET party newspaper Pravda has criticised the Yugoslav Press attack on the invasion of Afghanistan. It accused the newspaper Delo of publishing "a repetition of the slander by Imperialist propaganda."

Delo was also accused of "failing to condemn the crude interference in Afghanistan's affairs by the U.S. and Peking, which are organising armed attacks on the Democratic Republic of Afghanistan from Pakistan.

The official Yugoslav response to the invasion has been to criticise the Soviet action as an impermissible foreign intervention in the affairs of a sovereign and formally non-aligned country.

But Yugoslavia was careful not to be counted among the sponsors of the UN Security Council motion condemning the Soviet action, leaving the move to those non-aligned countries in the South-West Asian area most directly concerned.

This has made the Yugoslav reaction seem much more restrained than its bitter condemnation of the Soviet invasion of Czechoslovakia.

Hungary puts up consumer prices

BY PAUL LENDVAI IN VIENNA

A WIDE range of price increases *for services and consumer goods* came into force this week in Hungary. The National Price Office claims, however, that because of simultaneous cuts in other product prices the consumer prices as a whole will go up by only 0.8 per cent.

Taking into account the so-called free market prices, this year's index will rise by a further 2.9 per cent, an overall increase of 3.7 per cent on the 1979 level.

Rents, pharmaceuticals, beverages and food products are not affected by the latest measures. Last July Hungary carried out the steepest price increases since 1956, which produced a price index rise of 9 per cent and a cut of 1-1.5 per cent in real incomes last year.

This week's increases follow the 3 per cent upward revision of the producer price level and were widely expected. While prices for synthetic knitwear, clothes and curtains as well as certain metal goods will be reduced, those for services will jump by 20 per cent on the average, and woollens, leather goods, *paints, agricultural tools*, and fertilisers will also cost more.

Some Western observers expect that by the end of 1980 price increases will be higher than the "planned" 3.7 per cent.

Meanwhile in neighbouring Czechoslovakia austerity measures coming into force this year involve a reduction of personnel engaged in administration and on non-productive pursuits. Mr. Leopold Ler, the Minister of Finance, warned in the parliamentary budget debate last month that wages and managers' bonuses will be cut if the factories turn out poor quality products.

Both the 1980 plan and the budget include provisions for reducing the number of administrative employees by 1 per cent. It is estimated that one person is employed in management and administration for every ten production workers and one so-called "techno-economic" officer for every five employees.

Separatists in Corsica hotel clash

By Terry Dodsworth in Paris

A NEW wave of separatist action appears to be starting in Corsica, where groups seeking autonomy *from France have twice* in two days taken hostages and clashed with police.

In the second incident yesterday 20 visitors to a hotel in Ajaccio, the island's capital, were taken prisoner when the building was invaded by about 30 armed separatists.

The action followed the capture by the separatists of three leaders of Francia, a movement which backs continued union with France and which has taken violent action against autonomists in the past.

Police tried to free the Francia leaders earlier this week, but were driven back by gunfire. The separatists and their hostages slipped away to the countryside where they have gone to ground.

The hotel invasion is believed to have been led by separatists from the village where the Francia chiefs were captured. Among demands being made by this group is the right to hold a Press conference on their grievances. The group says the police stopped journalists meeting them earlier in the week.

Corsica has been repeatedly shaken by violence related to the campaign for autonomy in recent years. In July, the authorities began to take a much harder line with the movement and sentences of between five and 13 years were passed on a group convicted of provoking bomb attacks. The sentences do not appear to have led to a decline in separatist activity.

West can exact heavy price for Soviet invasion of Afghanistan

BY DAVID SATTER IN MOSCOW

THE VICTORY in Afghanistan may give little joy to the Soviet consumer. The U.S. grain embargo and the ban on high technology exports announced by President Carter can seriously damage the Soviet economy, particularly if they are sustained over several years and supported by the Western allies.

The effects of the grain embargo will be felt within the next few months as supplies of meat in the shops increase and then sharply decline. If Canada, Australia and Argentina do nothing to make up the difference, the U.S. ban will leave the Soviet Union 17m tonnes short of its 1979-80 grain requirements.

The ban on high technology exports will take longer to have an effect but the Soviet Union has used Western technology to create entire new industries at a high technological level and to fill in the gaps in its own industrial plant. An end to this trade will be felt in a tightening of energy supplies and a large-scale reorganisation in industry.

The grain embargo will not strike, and apparently is not intended to strike, at Soviet bread supplies. The amount of feed available for livestock, however, is expected to fall by about 13 per cent and the complementary U.S. ban on exports of soyabeans and soyameal, which raise protein content when mixed with feed grain, will mean that livestock will need more grain to get the same amount of protein.

The distress slaughtering which record-sized herds and a shortage of grain will require is expected to begin in the next few months. Overall meat production will probably fall in 1980 by more than 10 per cent and may approach 12 per cent, the level reached following the disastrous harvest failure in 1975. Meat production could then continue to fall in 1981 if the embargo has not been lifted.

The high technology ban will similarly make itself felt but will depend for its success on support from the U.S., Western allies. The inability to buy U.S. technology will be an annoyance to the Soviet Union but only a general ban on Western high technology imports will have practical economic effect.

The first place the strain will be felt will be in oil production where the Soviet Union is hoping to increase results during the next decade by improving secondary and tertiary recovery methods rather than by developing new fields.

Moscow has referred to water injection, the traditional Soviet recovery method, as "skimming the cream" off the top of oil reserves. But effective recovery methods such as the "gas lift" method which is going into operation at the giant oil field at Samotlor, must be purchased, from the West. A ban on purchases would force a long and costly effort to develop this technology at home.

The Soviet Union also imports large diameter pipe for oil and gas pipelines, plastic "wrapping" for the pipelines to insulate them and engines for pipeline compressor stations. The loss of these imports would greatly damage the efficiency of Soviet energy processing.

A Western ban on high technology exports to the Soviet Union would hit hard in other areas as well. The Soviet military and civilian economies are strictly separate. If the Soviet economy is cut off from the West, it will have to develop a wide range of specialised equipment and invest the time in research and development that Soviet proponents of expanded trade with the West have always sought to avoid.

The volume of Soviet imports from the West expanded greatly in the 1970s but the USSR was selective in what it chose to buy. In the chemical industry, for example, it created a base for efficient fertiliser production by importing the plant almost in its entirety. It did the same in chemical applications, in particular downstream petrol products like plastics and synthetic fibres, fertilisers and ammonia, machine tools and cars.

The Fiat-designed plant at Togliatti and the lorry factory at Kama are only the two best-known examples of the Soviet Union filling a need by massive purchases of foreign equipment, technology and design.

If the ban on high technology exports is made effective it would preclude the option of *turning to the West for help* in establishing an industry. The USSR presently lacks equipment for deep water oil exploitation but must turn to offshore oil deposits in the Barents Sea and the Sea of Okhotsk, as well as the deeper waters of the Caspian if it is to sustain production. The inability to buy equipment in the West would put back offshore oil exploitation for as much as 10 years.

The need to begin to produce sophisticated equipment domestically which has previously been bought from the West would strain resources and require major changes in the Soviet system of long-term planning. Soviet planners often refer with pride to the "tautness" of the five year economic plan and they strive to improve its precision. This very tautness, however, leaves it ill prepared to accommodate massive change in expected deliveries of high technology products.

To begin domestic manufacture of large diameter pipe, for example, would require increased steel production which, in Turn, would require more coal and iron production and allocation of more machinery to be used in the extraction of raw materials. The amount of replanning required would be enormous even if a method of duplicating the quality of German and Japanese large diameter pipe could be developed.

In the long run, the combination of tight agricultural and manufactured goods exports could probably paralyse Soviet economic growth, although the West would also suffer through the loss of valuable oil and gas imports, the need to prop up grain prices and the diminution trade. As its labour force declines in size through the 1980s, the Soviet Union will have increasing need of automated systems which it could only develop very slowly.

The West is in a position to make Afghanistan a very expensive prize.

U.S. seeks toehold in 'crescent of crisis'

BY JAMES BUXTON IN LONDON AND DAVID BUCHAN IN WASHINGTON

THE U.S. is searching for possible air force and naval facilities on the fringe of the Middle East and in the Horn of Africa to fill a logistical gap which has long been apparent to American military planners but which until now the U.S. Government lacked the political will to meet.

A U.S. mission which went to Oman, Somalia and Kenya last month (before the Afghanistan invasion) found that these countries had no objection in principle to the temporary use of their facilities in time of crisis. Meanwhile President Sadat has offered the U.S. the use of facilities in Egypt, while Israel has been miffed by the apparent American preference for facilities in Arab Egypt rather than in the Jewish state.

The U.S. policy is part of a strategy of bolstering its remaining friends and allies in the Middle East and Indian Ocean. The key nation involved is Pakistan, which presently has most to fear from the presence of Soviet troops on its border with Afghanistan. The U.S. has now sharply reversed itself and is willing to provide arms and economic aid to Pakistan—overlooking its row with Pakistan over the Islamic state's apparent bid to build a nuclear bomb.

The Americans are not seeking permanent military facilities in Oman, Somalia nor Kenya, nor would American personnel be stationed there though some stores might be deposited there. Nevertheless, the whole issue is fraught with difficulties because of the very delicate question of U.S. military involvement in the region which Dr. Zbigniew Brzezinski, President Carter's security adviser, calls "the crescent of crisis." That is why the U.S. has not approached Saudi Arabia.

The Iran crisis, followed by the Afghanistan crisis, has alerted the U.S. to the fact that should it need to move troops to the area it has no facilities that it can be sure of using close to the critical tier of countries bordering the Soviet Union or its satellites in south west Asia — Iran, the gulf states and Pakistan.

The U.S. has seaborne forces of Marines and a large air transport fleet. But probably the best way in which a fast deployment force, for which the Administration is to seek \$9bn from Congress to build up, to operate would be for troops to be flown in to meet their heavy equipment arriving by sea. This means the use of military facilities in countries near the crisis region.

The U.S. has a small communications facility and fleet anchorage at Diego Garcia, a British-owned island in the Indian Ocean, but although it has an airstrip and a small harbour, which are being expanded, it is too far away from the south-west Asian mainland to be sufficient. Though the U.S. has berthing rights at Bahrain in the Gulf for three warships, its presence there is politically sensitive.

The best military facilities the U.S. might use are in Oman, whose ruler, Sultan Qaboos, is pro-western, supports the Camp David policy on the Middle East conflict and emphasises the dangers to the Strait of Hormuz at the entrance to the Gulf, near which it is situated.

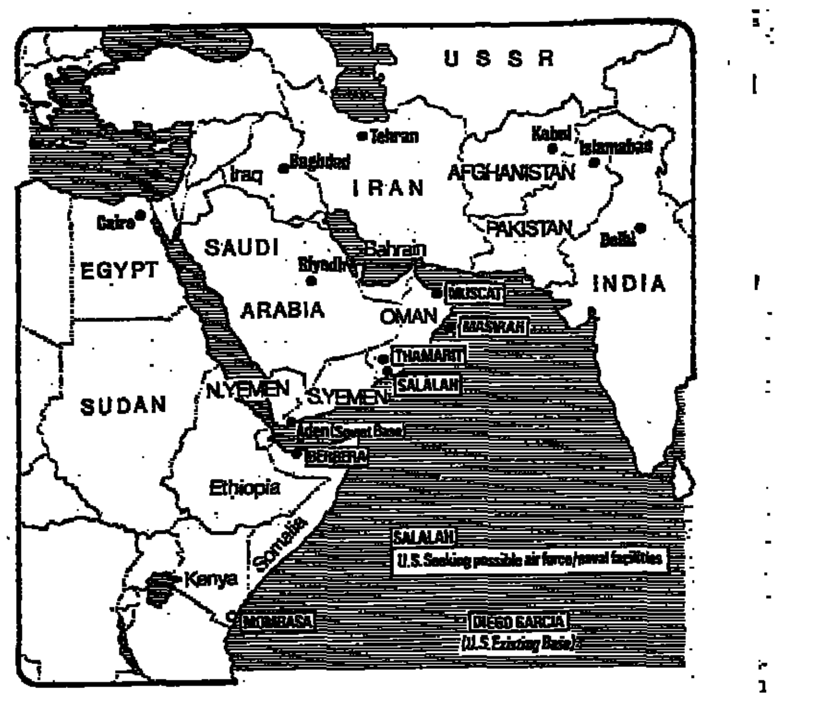
It has air force bases at Salalah and Thamarit in the southern province of Dhofar, a simple air base on the island of Masirah (used until 1977 as an RAF staging post) and a large air force and military complex near Muscat, the capital.

Somalia has a large port and air base at Berbera, on the Gulf of Aden, which was built by the Russians but vacated by them in 1977. Kenya has the deep water port of Mombasa, which also has a large airport, but is considerably further from the scene of any potential action. The U.S. is interested in the ports in both countries and the air force facilities in Oman.

So far the U.S. has made no agreement with any of these countries but technical teams are due to visit them, probably later this month, to evaluate what facilities could be used.

The U.S. regards such military facilities it might obtain from Egypt or Israel, in the crucial Middle East conflict zone, as a possible fall back to be considered when the Indian Ocean potential has been fully assessed. But the U.S. already has training exercises with the Egyptian air force, apparently using two Airborne Warning and Control System (AWACS) aircraft stationed there since mid-December.

The countries involved would probably want to give their approval to the actual U.S. use of the facilities on a case-by-case basis. In the meantime they would want American military and other support. While in Oman's case this would probably amount to supplies of military equipment which the Sultanate has said it needs to bolster its forces against South Yemen, in Somalia this could involve the U.S. in strengthening Somali forces, which were shattered in the 1977-78 war with Ethiopian and Cuban forces. This could mean American participation in the potentially explosive Horn of Africa conflict. With the Soviet Union heavily entrenched in Marxist Ethiopia, this is something Washington is likely to want to avoid.



Soviet warships aid Ethiopian withdrawal

BY OUR FOREIGN STAFF

RUSSIAN WARSHIPS had to evacuate Ethiopian troops from a Red Sea port after a recent defeat by guerrillas in Eritrea. The defeat has apparently led Ethiopia to abandon an offensive which was intended to crush remaining guerrilla outposts in the far north of the province.

Some 20,000 troops of the Ethiopian 3rd division were beaten off after a 13-day assault on the guerrilla-held town of Nakfa. Guerrillas of the Eritrean Popular Liberation Front claim that 8,000 Ethiopians were killed or wounded in the fighting which took place in mid-December.

The EPLF forces broke out of Nakfa on December 27 and in a two-day battle routed the 3rd division and the 508 tank group supporting it. Ethiopian forces, which have Soviet advisers and technicians had to retreat under fire 30 miles south to Afabet.

Russian ships, apparently using facilities they are known to have in the Ethiopian-owned Dahlak Islands in the Red Sea, had to evacuate troops from the port of Marsa Teklay which was under guerrilla siege.

The fighting was seen by a Japanese reporter who spent a month with the guerrillas. Though western diplomats believe the guerrilla claims of Ethiopian casualties may be exaggerated, they confirm the outcome of the battles and the Soviet naval role.

The reporter said he saw hundreds of dead Ethiopians after the fighting, as well as four wrecked T-54 tanks and 70 burned-out trucks.

Nakfa is the only major town in Eritrea in Eritrean hands after the powerful Soviet-backed Ethiopian offensive of late 1978. But in July last year Ethiopia lost 2,000 dead in an ambush during an attempt to capture the town. The latest Ethiopian offensive has met concerted fighting by the EPLF and the Eritrean Liberation Front, the other main guerrilla group, each fighting in their own areas.

Soames attacked over auxiliaries

BY QUENTIN PEEL IN SALISBURY

LORD SOAMES, Governor of Rhodesia, yesterday faced a concerted attack on his use of Rhodesian security force auxiliaries to help maintain law and order.

Four of the leading political parties, including both wings of the Patriotic Front, have now called for the withdrawal of the auxiliaries — the paramilitary force originally trained as the private army of Bishop Abel Muzorewa, the outgoing Prime Minister.

The uproar about the role of the auxiliaries, in both tribal areas and African townships, came as it was disclosed that the Rhodesian police have asked for further reinforcements to maintain law and order during the election campaign. The only likely source of support would be the Rhodesian security forces.

Mr. Willie Musarurwa, publicity secretary of Mr. Joshua Nkomo's ZAPU wing of the Patriotic Front, said that the use of the auxiliaries threatened to wreck the ceasefire agreement. He repeated a threat which Mr. Robert Mugabe, leader of the ZANU wing of the front, made in a letter to Mrs. Thatcher, that the front's forces would break the ceasefire if the auxiliaries were not contained.

He listed a number of complaints about the activities of the auxiliaries including threats to the lives of anyone who voted for the Patriotic Front and forced attendance at rallies given by Bishop Muzorewa.

More complaints about intimidation were made by the Reverend Ndabaningi Sithole's ZANU party. In a statement released yesterday the party said failure to solve the problem would be regarded by the masses as a lack of impartiality on the part of the Governor as well as support for a particular party.

In his letter to Mrs. Thatcher Mr. Mugabe said that his guerrillas would leave the designated areas in which they have assembled if the actions of the auxiliaries were not checked. A similar threat, though couched in more cautious language, was made by Mr. Musararwa.

The deterioration of relations between the Patriotic Front—especially Mr. Mugabe's wing—and the British Government in Salisbury would be considerably worsened if, as expected, the Rhodesian security forces are partially or wholly mobilised to deal with the internal security situation during the elections.

Call-up papers for a general mobilisation are expected to be issued within a few days, although no final decision will be taken until nearer the election.

However Sir James Haughton, the police adviser to Lord Soames, confirmed yesterday that the Rhodesian police had asked for reinforcements. "The police do not feel able to handle election security on their own."

Bishop Muzorewa won a prominent recruit to his United African National Council yesterday, when Mr. Michael Mawema, a veteran nationalist, announced his decision to disband his National Front of Zimbabwe and join the Bishop.

The National Front, one of 11 parties registered for the election, was formed by Mr. Mawema largely to cater for dissident members of Mr. Mugabe's ZANU from the Karanga tribe.

Assad asks mayor to head Cabinet

By Our Damascus Correspondent

THE MAYOR of Damascus, Mr. Abdel-Raouf al-Kasm, has been asked by President Hafez al-Assad to form a new Syrian Government.

This follows the election at the weekend of a new regional command and central committee for the ruling Arab Ba'ath Socialist Party. The outgoing Prime Minister, Mr. Mohammed Ali al-Halabi, who is continuing in a caretaker capacity until a new Cabinet has been formed, failed in the poll for the regional leadership. As a result his resignation was considered a foregone conclusion.

The party congress that ended in Damascus on Sunday was one of the most critical since the moderate faction led by President Assad emerged triumphant in 1970. It took place against a background of communal strife and violence by members of the right-wing Moslem Brotherhood aimed particularly at the Awalite sect to which President Assad and other Ba'athist leaders belong.

Palestinian 'handicap' for Egypt

BY ROGER MATTHEWS AND DAVID LENNON IN ASWAN

EGYPT'S ABILITY to check the growth of Soviet influence in the Middle East is severely limited by Israel's refusal to give the Palestinians any hope that the current autonomy negotiations will lead to any real benefits.

This was made clear yesterday by Dr. Boutros Ghali, Egypt's Minister of State for Foreign Affairs, on the eve of the final session of talks between President Anwar Sadat and Israel's Prime Minister, Mr. Menahem Begin.

Dr. Ghali said that the crisis in the region caused by events in Iran and Afghanistan had made accelerated progress on Palestinian autonomy even more vital. Should nothing substantive emerge by the target date of May 26, then the whole peace process would be seen to be without credibility. Israel would have its peace in a formal sense but there would be no substance to it, the Minister said.

The Minister stressed that Egypt would abide by the terms of the peace treaty, but Israel could not expect full normalisation of relations without progress on the Palestinian issue. He pointed out that agreements on commercial and cultural links were not due to be reached until July 26, two months after the expiry of the target date for the autonomy talks.

"The Palestinians on the West Bank and Gaza must be given the feeling that something has changed. So far, nothing has changed. On the contrary the situation for them is getting worse," Dr. Ghali said.

"The Palestinians are, in fact, becoming more radical because of this and there is a worse danger—the Arab world is also becoming more radical."

Dr. Ghali appealed to the Israelis to inject a note of hope into the negotiations.

He urged Israel to look again at the 20-point memorandum Egypt had put forward in October 1978, asking for an amnesty on the West Bank and Gaza, the opportunity for divided families to be re-united, the withdrawal of Israeli army posts in the centre of Palestinian towns and a moratorium on the building of new Jewish settlements in the occupied territories.

Dr. Ghali accused the Israelis of always wanting to postpone the Palestinian issue and said this was damaging Egypt's chance of playing a wider role in the region.

Egypt had been unable to call an Islamic summit conference on the Soviet Union's invasion of Afghanistan and to consolidate its relations with the African group of nations. "Egypt is unable to play a leadership role in the Third World because of Israel."

Dr. Ghali added that the opening of Egypt's embassy in Tel Aviv on February 26 would be merely a symbol, Egypt, at the moment, intended only to send about five diplomats. Any strengthening of the embassy staff would depend on the autonomy talks.

Mr. Begin spent yesterday sightseeing in Luxor. His final round of talks with President Sadat is due to take place this morning. Spokesmen from both sides expect them to concentrate on bilateral issues.

Saudi Arabia executes 63 for mosque attack

RIYADH—Saudi Arabia yesterday executed 63 of the religious fanatics who seized the Great Mosque in Mecca for two weeks last November.

An official announcement by the Ministry of the Interior said the executions were carried out in several cities.

The seizure of the Great Mosque was followed by a two-week battle between fanatics and Saudi troops, waged mostly in labyrinthine tunnels under the Mosque.

The Ministry of Information said yesterday that 143 attackers had been arrested. Of these 63 were executed, 19 have been sentenced to terms of imprisonment, and 38 were released as innocent; 23 women and children have been sent to corrective institutions "to be taught how to be good Moslems."

Revised casualty figures issued yesterday gave the number of security forces killed as 127 and those wonded as 451. Of the attackers, 75 were killed during the fighting and 27 died later in hospital. In addition 15 bodies were found in the tunnels AP

AMERICAN NEWS

Business task force sent to debt-ridden Cleveland

BY IAN HARGREAVES IN NEW YORK

A VOLUNTEER army of 80 senior executives from private business has been recruited to help the depressed and near bankrupt city of Cleveland, Ohio, out of its financial straits.

In a remarkable gesture of backing for Mayor George V. Voinovich, the 43-year-old Republican who in November ousted Mayor Dennis Kucinich, an outspoken and anti-establishment young Democrat, from the city's top office, local business is now rallying around the man it helped elect.

A task force headed by Mr. E. Mandell de Windt, chairman of the Eaton Corporation, will start work officially next week. It will seek ways for Cleveland to eliminate a $111m financial deficit and then turn to the structural problems which in the last two years have forced prolonged closures of the city's public schools and a deterioration in many already over-stretched services.

Senior managers are being *provided free by 64 companies* for a 12-week period. Companies and various foundations have also put up $750,000 to finance a management consultancy study of the city's bureaucracy.

Mayor Voinovich has also nominated five businessmen to a special State Commission which will oversee the programme intended to lead to the city's financial recovery.

Like New York City, whose title of most financially pressed city has been stolen by Cleveland, the latter faces a long struggle to re-establish its creditworthiness in order to start raising funds by issuing securities again.

New York has still not reached this position five years after the scale of its cash *problems became evident.* Cleveland is in a worse position, still being in default on a number of loans.

The involvement of business in Mayor Voinovich's assault on Cleveland's huge financial and social problems — 45 per cent of its black citizens are estimated to be out of work — was expected following what was a surprising Republican election victory in a traditionally Democrat city. The city council is still composed entirely of *Democrats.*

The previous Mayor, an iconaclastic figure in his 30s with the look of an ageless Beatle, spent much of his period in office battling against Ohio banks and other members of the business establishment over his plans to solve the city's problems by huge increases in taxation.

Mr. Mandell de Windt

Backing for 9.5% pay guideline

By Our New York Staff

PRESIDENT Jimmy Carter's pay advisory committee is *recommending that the* Administration raise its voluntary wage increase guideline from 7 per cent to a range of 7.5 to 9.5 per cent.

In a compromise hammered *out between labour and business* interests, the emphasis has come down on providing a figure which is acceptable to the President in his political campaign about the fight against inflation, but which does not antagonise labour interests, whose support is essential for Mr. Carter's re-election.

The details of the new guidelines will be completed in the next two weeks, before going to the full Council on Wage and Price Stability.

The Council and the Administration are expected to endorse the new figures. To oppose them would be to risk revealing a split between business and labour members of the wage and price agency that would threaten its existence.

Although the activities of the council remain an important part of the President's political platform, the voluntary guidelines are not generally considered to have been very effective.

Most major pay settlements in the last year—notably the agreements of the Teamsters' Union and the United Auto Workers—have been outside the limits.

One major union, the Union of Oil and Chemical Workers, started a nationwide strike on Tuesday having turned down an offer of 9 per cent. Other major settlements due this year are in steel and heavy construction.

Nuclear power stations delay likely

By Our New York Staff

FURTHER DELAYS in an $8.5bn nuclear power programme in the U.S. midwest are likely, partly because of increased safety consciousness about nuclear installations following last year's Three Mile Island accident.

Mr. John M. Arthur, chairman of the Duquesne Light Company said that the programme, already delayed by more than 36 months because of financing difficulties and lower-than-expected fuel demand, may well be set back further.

He also indicated that the companies involved are studying whether to substitute coal-fired generators for some of the planned additional seven nuclear units, which would have been completed between 1981 and 1988.

Mr. Arthur said that although Duquesne still preferred the nuclear option in principle, it was being obliged to reconsider its plan because of pressure from the Nuclear Regulatory Commission to fit new safety equipment to plants which had already been built.

One of Duquesne's existing nuclear plants was forced to stop refuelling for six months to make changes required after the Three Mile Island incident.

U.S. property prices start to fall

BY STEWART FLEMING IN NEW YORK

THE PRICE of houses in the United States may be declining, according to figures prepared by the National Association of Realtors and confirmed by statistics from the Federal Home Loan Bank Board.

The estate agents' trade association has been tracking house prices since 1968 since when the median price of a new home rose 185 per cent to $56,300 by last October. But in November, the median price fell by $700.

The bank board, which collects data on a different basis, has reported that in December the average price for previously-owned homes fell from $65,400 to *$65,300.*

Prices and the strength of the market diverge widely in different parts of the country. The hottest market in the past three years has been California, where a typical middle income home can cost more than $200,000.

The weakness of the market, which has also shown up in a sharp decline of new housing starts, is traced directly to the Federal Reserve Board's moves to raise interest rates last year, particularly in the October package. There has been a marked decline in the availability of housing finance and sharp increases in its cost with some lenders charging up to 14 per cent for loans.

Any decline in house prices is expected to be temporary, reflecting these factors. As *interest rates fall and finance* becomes easier the inflationary spiral will resume. But there have been fears that protracted and heavy decline in house prices could have serious repercussions, bringing the housing market to a standstill and possibly reducing the security for loans to a narrow margin.

The weakness in prices will also tend further to discourage lenders from advancing new loans against the security of homes, a practice which has pumped billions of dollars into the U.S. economy in recent years.

● There was *more bad news* for the real estate industry yesterday when the Supreme Court decided that real estate brokers in New Orleans could be tried on anti-trust violations in relation to alleged price fixing by setting fixed commissions *and splitting* fees.

The case will be the first of its kind but already anti-trust investigations of real estate brokers are under way in more than a dozen states.

Oil price rises help bus and horse in Brazil

Motorists turn to exotic fuels

BY DIANA SMITH IN BRASILIA

IN 1970 a Brazilian motorist could buy a litre of petrol for half a cruzeiro — 1.2 U.S. cents at today's exchange rates. In January 1980 a litre of "*petrole,*" *a mixture of 20 per* cent cane alcohol and 80 per cent petrol, cost Cr 22.60, close to 55 U.S. cents. The last petrol price increase, which came in early December, before OPEC assembled in Caracas, was a shock 58 per cent. Now there are hints of another increase soon.

Many private motorists were driven to panic by the announcement of the new price. As they frantically tried to fill their tanks hundreds of them beat up or threatened to kill service station attendants who claimed stocks had run out.

For the authorities who had resolved to make motorists suffer for their car addiction, the impact in a city like Sao Paolo has been only just perceptible. Instead of coming to a total fuming standstill in the rush hour, this car-mad metropolis now crawls, thanks to a 5 per cent reduction in traffic. At the same time businessmen are discovering the joys of the underground.

In Brasilia, however, which has no underground and was designed as a monument to the private car as well as futuristic architecture, one car dealer is now commuting by horse. Well-*dressed people have suddenly* been spotted walking in ministerial areas where before only health- faddists or eccentrics trod. And smart dinner party conversations include snippets like: "Today, I took a bus. It was awful."

Brasilia's buses, known as the "greater killer species," are indeed awful. But local transport authorities have put 48 new vehicles on the roads since December in the hope of inducing junior officials or ladies out for a morning's shopping to keep their cars in the garage.

In other respects the impact of successive petrol price rises is heavily visible. Government cars and taxis are being converted to cane alcohol.

Cars now run on orange peel essence, butane, coal gas or whatever an amateur inventor can devise. Faced with a $7bn oil bill, a $3bn trade deficit in 1979, and an oil bill estimated to climb to $10.5-12bn this coming year, the Government is in no mood to discourage research or development, however bizarre.

Throughout 1979 the authorities also rushed to diversify its sources of oil to reduce dependence on the Middle East. Previously Iraq was the largest supplier with 44 per cent, followed by Saudi Arabia and Iran with about 14 per cent of the 1m barrels Brazil imported daily. Now Venezuela, Mexico, Nigeria and Angola have joined the list of Brazil's suppliers, each with modest amounts ranging between 20,000 and 50,000 barrels a day.

Towards the end of last year, Sr. Karlos Rischbieter, the Finance Minister, estimated that an oil price of $35 a barrel would be the *outside limit* Brazil could tolerate. "Higher than that," he said, "and we will be in serious trouble." Now that limit is coming perilously close.

Overhead pedestrian walkways in Sao Paulo.

U.S. paper consumption to rise

BY WILLIAM HALL

U.S. consumption of paper and board is expected to rise by 3 per cent per annum over the next decade, and by 1990 should amount to nearly 100m tons per annum. Over 90m tons will be domestically produced and some 7m tons will be imported.

According to a study, Paper and Pulp Demand to 1990, prepared by Predicasts Inc, U.S. paper production is expected to rise from an annual 27.3m tons in the 1976-78 period to 41m tons by 1990. Reasons for this growth include a rising proportion of domestically produced newsprint, rapid growth in information uses and a continued heavy demand for packaging.

U.S. PAPER AND BOARD PRODUCTION

	Output (million tons)		Annual increase (%)	
	1976-78	1990	Historic	Projected
Paper	27.3	41.1	3.2	3.2
Paperboard	29.0	43.2	3.0	3.2
Construction paper	5.4	6.4	2.7	1.3
Net imports	5.0	6.9	0.2	2.4
Total U.S. consumption	66.7	97.6	2.8	3.0

A number of negative factors will influence the growth rate, including competition from paper substitutes such as microfilm and the saturation of the fast growing consumer tissue market.

Paperboard production is forecast to grow from an annual 29m tonnes in 1976-78 to over 43m tonnes by 1990. The study predicts that solid wood pulp furnish grades will continue to dominate the container market. It also predicts the exports of paper board will grow to 3m tonnes per annum by 1990.

About 94m tonnes of fibre will be needed to produce 90m tonnes of paper and board. Wood pulp production in 1990 is projected at almost 70m tonnes and waste paper usage is expected to increase from 22 per cent of total fibre requirements to perhaps 25 per cent.

This will involve a near-doubling in wastepaper collection to 23m tonnes per annum by 1990. The report comments that this will require changes in U.S. procedures and attitudes to waste paper collection.

Pulp and Paper Demand to 1990, Predicasts Inc., 199, High Street, Orpington, Kent. (Price $675 per copy.)

WORLD TRADE NEWS

Iran trade take-over to be delayed

BY SIMON HENDERSON IN TEHRAN

IRAN'S foreign trade is not to be nationalised immediately despite a statement announcing this by Mr. Abolhassan Bani-Sadr, the Finance Minister, two *weeks ago.*

Mr. Reza Sadr, the Commerce Minister, said this week that no decisions on the nationalisation of trade had yet been taken and merchants can still export and import on the basis of current rules and regulations.

The confusion caused by the earlier statement is seen as being another example of the style of Mr. Bani-Sadr, who is also a French-educated economist, whose thinking is seen as combining Marxist and Islamic thought. Previous statements on the nationalisation of banks and withdrawing assets from the U.S. have also come as a *surprise.*

Apparently when Mr. Bani-Sadr made his trade nationalisation statement, his colleague Mr. Reza Sadr at the Commerce Ministry was at that very moment outlining the facilities his department would soon be providing for private traders.

Trade nationalisation is, in fact, promised in the newly approved Islamic constitution. Under Article 44 foreign trade is specified as being in the domain of the public sector.

But the scheme is no where near the implementation stage.

Even Mr. Bani-Sadr's own deputy minister, Mr. Cyrus Ebrahimzadeh, *who had,* according to a local journal, no prior knowledge of his Minister's statement, states that it would be unwise for the Government to embark on the programme without first creating the necessary framework. That, he has said, is a matter of years not months.

In a further statement Mr. Ebrahimzadeh told a Tehran newspaper this week that trade nationalisation should be dealt with very cautiously.

Since Mr. Bani-Sadr's comments, however, the uncertainty over the future of foreign trade has been reflected in the market. *Importers have* had their enthusiasm for investment dampened, and only those with outstanding bank credit are reported to be continuing normally. New credit is said to be unlikely.

But new impetus could be given to the nationalisation proposal if Mr. Bani-Sadr is elected President in polls scheduled for January 25.

UK extends $5m credit to Chile

By Hugh O'Shaughnessy

IN THE second of two recent British bank loans to Chile, Lazard Brothers this week signed a $5m line of credit for the Banco de Chile to finance contracts for British equipment and services.

The loan, at 7¾ per cent for *up to five years,* is expected to be used for, inter alia, textile and other capital goods.

Last month, N.M. Rothschild and Sons arranged another $5m for Chile. Both transactions are guaranteed by the Export Credits Guarantee Department.

A spokesman for Lazards said the loan was arranged in response to a Chilean request for financing for imports of British goods. He expected it to help in a new expansion of British exports to Chile. The suspension of ECGD cover for most exports to Chile since 1972 is said *to have hit British exports.* Britain bans the sale of arms to Chile.

Seven British trade missions are expected to visit Chile this year to re-establish the positions of British companies in the Chilean market.

The two loans come at a time when there is renewed speculation about the exchange of ambassadors between Britain and Chile. Britain recalled its envoy in Santiago in 1975. An announcement may be made by the Foreign and Commonwealth Office during this month on the reappointment of envoys.

● The ECGD has guaranteed a $5m line of credit which Morgan Grenfell has made available to Banco de la *Nacion of Argentina.*

Call for ban on imports of U.S. synthetics

By John Hunt, Parliamentary Correspondent

A CALL for Britain to limit the import of man-made fibre yarn from the U.S. as an "*interim protective measure*" was made by Mr. John Smith Labour Party spokesman on trade, yesterday.

In a letter to Mr. John Nott, Trade Secretary, Mr. Smith said the British man-made fibre industry was experiencing a crisis, because of the surge in imports from the U.S. He calls for immediate action within the terms of EEC regulations.

"These imports are sold cheap because the U.S. industry obtains artificially cheap energy feedstock. It is therefore wholly unfair competition."

Mr. Smith points out that imports of polyester filament yarn from America have increased from 7 to nearly 30 per cent between 1978 and 1979. "If this penetration of the UK market continues, there is a real danger that thousands of jobs will be lost in British industry and sections of it may be wiped out."

In April last year, the Council of Ministers decided that if artificial differences in the price of energy and petroleum raw materials available to certain synthetic fibre producers disrupted the Community textile market, then the appropriate action would be taken under GATT without delay.

Mr. Smith says the disruption has occurred. The Commission is discussing matters with the U.S. Administration but a report is not expected *until next month.* According to Mr. Smith, there is serious concern that the Americans are "stalling."

Angola order for ENI

By Paul Betts in Rome

NUOVO PIGNONE, the engineering subsidiary of the Italian state Ente Nazionale Idrocarburi (ENI) hydrocarbons group, has won orders for 14 turbocompressor groups for the Cabinda offshore oil project in Angola. The deal is worth more than $20m (£8.8m), the Italian company said yesterday.

The turbocompressor groups were jointly ordered by the Cabinda gulf oil concern, a subsidiary of the U.S. Houston-based Gulf Oil group, and Conganol, the Angolan state oil company.

Tokyo groups sign oil contracts

BY RAY DAFTER, ENERGY EDITOR

TWELVE Japanese companies have signed oil supply contracts with Iran involving more than 500,000 barrels a day.

The National Iranian Oil Company is charging an average $30 a barrel for contract oil, the same price that is being charged to European buyers, including the Royal Dutch Shell Group and British Petroleum.

Japan's International Trade and Industry Ministry said that half the supplies would cost $28.50 (Iran's reference price) and the remainder would be bought at $31.50. *The amounts involved* were said to be between 510,000 and 540,000 b/d, enough to cover about 11 per cent of Japan's oil needs. Last year Iran supplied 450,000 b/d, or about 10 per cent of Japan's consumption.

As part of the new deal Japanese companies must also import about 100,000 b/d of *high sulphur fuel oil.* This is also similar to the deal with BP and Shell.

The 12 companies involved in the supply arrangements are: Mitsubishi, Mitsui, C. Itoh, Marubeni, Idemitsu Kosan, Kanematsu-Gosho, Daikyo Oil, Nissho-Iwai, Nichimen, Nippon Kyodo Sekiyu, Showa Oil, and Sumitomo Shoji Kaisha.

BP has been assured of 125,000 b/d of crude oil by Iran while Shell has negotiated 95,000 b/d of crude supplies. In addition each company is to lift an estimated 1m tonnes of fuel oil over the next nine months, according to industry estimates. This would give the two companies a total of around 50,000 b/d of additional oil.

Iran has now committed over *1m b/d of its 3.5m b/d oil pro*duction, but some sectors of the industry are puzzled about which countries will receive the *bulk of the remaining contract* supplies.

So far, Iran appears to have committed itself to supplying about 620,000 b/d to Japan (crude oil and fuel oil); 265,000 b/d to Shell and BP; 15,000 b/d to West Germany; 40,000 b/d to Korea, *and 60,000 b/d to* India.

As a new departure to its trading deals, Iran is also asking some of its customers—among them Shell and BP—to refine Iranian crude oil on behalf of the National Iranian Oil Company.

This trend, a complicating factor in international oil trading, is spreading, for it has been confirmed that Saudi Arabia's State-owned Petromin oil company is negotiating with a *number of Western groups* a deal whereby they will refine and market oil on Saudi Arabia's behalf.

Japanese Suez Canal proposals

BY RICHARD C. HANSON IN TOKYO

A JAPANESE feasibility study draft, to be presented to the Egyptian Government early this spring, recommends that expansion of the Suez Canal be accomplished by construction of a by-pass canal parallel to parts of the existing waterway.

The Japanese Government agreed to conduct the study late *last year. It is also expected to* provide official aid for the project (if accepted by Egypt). The expansion will follow completion of a "first phase" increase in the present canal's capacity.

The first phase, also financed in large part by low cost Japanese aid, is scheduled to be finished some time later this year. Three Japanese construction companies, led by Penta Ocean, won the contract then worth Yen 50bn in 1976.

The project is far from *realisation, however.* First, the Egyptian Government must decide whether the idea of constructing a by-pass canal is the technically (and economically) desirable alternative.

The other *options* are widening or deepening the present *route, both of which were* considered by the Japanese team which visited Egypt late last year.

The Government has not yet disclosed what the cost of its by-pass recommendation might be. *But it is assumed that it* would be over $1bn. A less expensive alternative (if one can be found) would probably be somewhat more attractive to the Egyptians.

Ohira for Canberra energy talks

BY PATRICIA NEWBY IN CANBERRA

JAPAN'S Prime Minister, Mr. Masayoshi Ohira, will visit Australia next week for energy talks which should open the way for Japanese participation in a number of Australian development projects.

Mr. Ohira and Mr. Malcolm Fraser, Australia's Prime Minister, will discuss a proposed scientific agreement between the two countries which would allow Japan to participate through sale of technology and investment in solar energy and liquefaction of coal to oil.

Tokyo has already shown interest in establishing a multi-billion-dollar coal liquefaction plant in the State of Victoria, and it is likely that a joint feasibility study will be established by Australia and Japan after next week's talks.

Japan is also keen to take part in developing one of the world's biggest shale oil reserves at Rundle, in Central Queensland, in return for some of the crude produced there.

At present, oil exports from *Australia are prohibited and it* is considered likely that Japan will seek *a re-examination of* this policy from Mr. Fraser.

The solar energy proposal at present being examined would result in a pilot plant of 2,000-3,000 kW to be built by 1981 in northern Australia using Japanese technology but financed by Australia.

Mr. Ohira will arrive in Australia next Tuesday and will leave on January 20, after a two-day visit to New Zealand.

The two Prime Ministers are expected to discuss the revived *interest in* a Pacific economic association.

Leslie Colitt, in Berlin, analyses the reasons for the decline of Britain's business presence in Eastern Europe

Hard time for UK goods

STATISTICS ON UK trade with Eastern Europe make depressing reading for a country which pioneered trade with the area in the early post-war years.

The reasons for the decline are, however, evident to anyone who spends time in Comecon, and they have little to do with the *trials of dealing* with state trading agencies or with changing five-year plans.

In the 1950s and 1960s, ownership of a British car was something East Europeans dreamt of, and the few Western cars on the roads were more often than not Austin Minis.

Today, the Czechs and Poles, who retain the greatest loyalty to British goods among East Europeans, are now beginning to erode the UK market with their own home-built Skodas and Polski Fiats.

When Czechoslovakia's Tatra company recently wanted to prove the merits of its 3.5 litre air-cooled luxury car, the Tatra 613, which is used to ferry about Government ministers and company directors, it staged a comparative test with a Rover 3500. The Tatra 613 is claimed to have won hands down.

The story, as told in a Press release by Mokotov, the Czech car export agency, revealed the extent to which the actual and imagined faults of British industry and its products have become a source of consolation to inefficient East European industries. Someone else, they tell themselves now, is turning out even less acceptable goods.

Compared with the *other* major trading nations, the UK in 1978 had the lowest absolute level of exports to Comecon and the lowest share of total exports at 2.7 per cent. Seven per cent of West Germany's exports went to Comecon, as did 4.4 per cent of Italian exports, 3.9 per cent of those from France and 3.5 per cent of Japanese exports.

Too many British companies continue to approach the East European market as a soft sell for British wares. The few which do not are still doing virtually all the exporting to the area, which amounted to a mere £721m out of total British exports of £30.7bn in the first nine months of 1979.

When sales failed to materialise, British businessmen *tend to place the blame* on state foreign trade organisations which allegedly favour the West Germans. It is argued that the Germans traditionally trade with East Europe and that East European engineers have been raised on German tech*nology* and German DIN standards.

British salesmen at East European trade fairs still tend to oscillate between early, usually groundless, optimism over their sales prospects and a rapid loss of interest when orders fail to develop. All too often the blame is shifted from the product which was supposedly "competitive" to the allegedly more favourable financing offered by foreign competitors.

One sales executive of a large British company that regularly exhibits at East European trade fairs reasoned that "We cannot deal with their demands for compensation, so why should we bother to even bid on the project."

One salesman for a British truck manufacturer is certain that a Comecon country is about to buy a fleet of his vehicles after having made the last sale to that country over ten years ago. He says *he was told* by the East Europeans how "extremely satisfied they were with the test vehicles they had used."

However, a British banker with more experience in the market is puzzled by the *optimism,* noting that the Communist country in question has, in the past decade, only bought West German and Swedish equipment to its apparent satisfaction.

By contrast, the representatives of West German truck companies and chemical concerns one speaks to in Eastern Europe view every Western competitor as a much greater threat than in fact he may actually be.

A West German executive of a British-*owned food* and *drink* subsidiary that sells to Eastern Europe, noted that, although the West German subsidiary also represents the parent company's line of products in Eastern Europe, in practice it is difficult to sell the British-made goods.

"In the past when we ordered from the UK head office, we were unable to get even German-language labels for the products, not to speak of Czech or Polish. Then the ordered *products* were delayed by either strikes or transport problems."

British embassy commercial departments in Eastern Europe, while usually extremely well-informed about foreign competition, cannot make up for industrial and commercial inadequacies.

Even the best information from the commercial departments is useless if it is not acted on by thinly strewn corps of British business in Eastern Europe.

Is it vulgar to talk about value in a luxury car?

These days, car salesmen offer you the options list the way waiters offer you the à la Carte.

Leaving you to choose the fixtures and fittings according to your pocket.

A state of affairs which we find lamentable.

Hence, the appointments, generally found on the options lists of other cars, are already present in the Royale. For example, automatic transmission is standard. (You can have manual, if you prefer, at no additional cost.)

Nor is the car required to embrace a variety of humbler engines.

Only one is offered: a 2.8 litre 6-cylinder unit that accelerates the Royale to a top speed of 115 mph*

Inside, the furnishings are such that even the most critical of travellers will find little to carp at.

The seats are covered in crushed velour with head restraints at the rear as well as the front.

You can even adjust the driver's seat for height, as well as for reach and rake.

Additionally, the steering wheel can be tilted and the steering is powered.

Those interested in the smaller details will find central locking for the doors, an electronic boot release, a sliding steel sunroof and radio/stereo cassette player.

While outside are double-skinned metallic paint, alloy wheels and a headlamp wash/wipe system.

In fact, the Royale's specification is so complete that the only option offered is air conditioning.

Your Vauxhall dealer will be glad to demonstrate these virtues to you.

And you'll find he hasn't the slightest inhibition about extolling the car's remarkable value.

SALOON £9,711. COUPÉ £10,069. PRICES, CORRECT AT TIME OF GOING TO PRESS, INCLUDE CAR TAX & VAT. DELIVERY & NUMBER PLATES EXTRA. *MANUFACTURER'S FIGURES.

VAUXHALL
ROYALE

APPEALS TO GOVERNMENT FOR MODERNISATION AND CASH SUPPORT

Joint campaign call on new technology

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

DETAILED proposals for the Government to join unions and employers in a national campaign to spread the use of new technology in industry were put forward in separate papers to the National Economic Development Council yesterday by the Confederation of British Industry and the TUC.

At the same time, Mr. Jim Prior, Employment Secretary, submitted a paper that echoed calls from the CBI and TUC for companies to facilitate technological change by consulting employees more.

The TUC went further. It wanted trade unions to claim the right to negotiate "new technology agreements" with employers before changes were introduced.

One claim for those agreements would be that working hours should be cut. However, the CBI and Mr. Prior gave warnings yesterday against cutting hours unless productivity improvements were achieved.

The CBI's main proposal was for "co-ordinated programme of work" on adopting technological change involving the Government, employers and trade unions.

It is to be detailed this month in a CBI discussion document called "Jobs — Facing the Future." Yesterday's paper listed several tasks for the programme:

- Obtaining as much agreement as possible on the extent of potential unemployment and, particularly, the manpower implications of micro-electronics;
- Improving productivity—which requires change in attitudes by unions and employers;
- Improving the effectiveness of the labour market to ease skill mismatches and improve mobility;
- Examining the cost and employment implications of early or flexible retirement;
- Examining the role of education, training and retraining in preparing people for work and for changes in their working lives;
- Examining measures to reduce working time against the criteria of competitiveness and flexibility.

In addition, the CBI said that employers should improve the outlook for increasing employment.

They should work towards improving productivity by increasing communication and consultation with employees, especially over introducing new technology. They should also examine the impact of pay structures on motivation and look into manning levels and training.

Strategies

Employers should develop manpower strategies on recruitment, training, job security, redeployment, resettlement and redundancies.

They should also develop strategies on terms and conditions of employment, in particular on working hours and on merging manual and staff workers in single status agreements.

Employers, the CBI said, should decide how to respond to wider social pressures relating to issues such as youth unemployment, education, preparing young people for work, and the need to create new job opportunities in areas of industrial decline.

"At this stage we think it is more important that agreement is reached on the issues on which work is needed than on the mechanics of actually doing the work," the CBI said. It proposed soon to initiate discussionson the areas mentioned.

The TUC said in its paper that there should be a "national framework" agreed with the CBI and the Government to "promote action at company level.".

It wanted new technology agreements struck by employers and unions to ensure that "the benefits of the new technology are maximised and equitably shared and the costs minimised."

Those agreements would be based on requirements drawn up by the TUC last year. They include negotiation on changes in working practices; improved trade union organisation; provision of information by companies; agreements on employment and output; improving retraining; reducing hours of work; improving pay rates; and health and safety matters.

The TUC also called on the NEDC yesterday to give "specific and detailed attention to the skills requirement of the micro-electronics revolution."

It said British companies should be "more adverturous in applying the new technology." There was also a need for Government support for building up electronic industries.

In his paper, Mr. Prior gave details of the Government's training and retraining work and said Ministers were considering proposals from the Advisory Council for Applied Research and Development for better co-ordination and organisation of assistance to companies.

Government help sought by process plant industry

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE PROCESS plant industry appealed for Government help at yesterday's meeting of the National Economic Development Council. In a report submitted to the council it warned that without help it would not survive at its present strength until the late 1980s, when new energy projects were started.

The report of the process plant economic development committee, which was submitted to the Council, says 30-40 per cent of the industry's market is in the public sector. The Government could help the industry in winning major contracts; through standards and specifications; by supporting research and development through the research establishments; and by the leverage it could exert to stimulate the industry to attain the highest levels of performance.

The committee, recognising the industry's need to improve its performance, has initiated steps to improve resource utilisation, technology, and product relevance. These steps, which have been endorsed by employers, trade unions and Government representatives on the committee, are being communicated to the industry through company visits and seminars.

Britain's process plant industry, which designs, manufactures and supplies complete plants and individual plant items is the fifth largest in the world.

The committee says the home market, to which the industry is heavily orientated, is likely to remain depressed until the late 1980s when a big programme involving nuclear and coal development will start.

But the report warns that unless decisions are made now and in the near future, the industry will contract severely, and there is a big risk that much of the process plant required in ten years time will have to be imported.

Process plant contractors and manufacturers face powerful competition from the U.S., Japan, Germany, France and Italy and from emerging industrial countries such as India, Venezuela and Indonesia. The report warns that process plant industries are also developing in Taiwan, Korea, Brazil and Mexico, where cheap steel and low wages combine to make them a growing threat.

The process plant EDC was re-formed last autumn under the chairmanship of Sir Cyril Pitts. The report which went to the Council yesterday was the first from the new EDC.

New plea for oil inquiry

BY PHILIP RAWSTORNE

LABOUR MPs will renew demands in the Commons next week for a parliamentary inquiry into Rhodesia oil sanctions busting disclosed by the Bingham Report.

Despite a decision by a free vote of the Commons last year to hold a special inquiry, Mrs. Margaret Thatcher said in December that the Government did not intend to proceed with further investigations.

Sir Michael Havers, Attorney-General, had earlier told MPs that the Director of Public Prosecutions had decided against any prosecutions of the oil companies alleged to have been involved in sanctions breaking.

Opposition dissatisfaction with the handling of the affair has been revived by the publication of an annexe to the Bingham Report which had been previously withheld.

Due to an administrative mix-up, MPs were not informed that the annexe was available in the Commons Vote Office on December 20, the day before the House rose for the Christmas recess.

The annexe, headed "Evidence of Criminal Offences," collates references to evidence in the main report which "may be relevant when considering any possible criminal liability" on the part of various oil companies.

OBITUARY

Sir Charles Curran

THE REAL achievement of Sir Charles Curran, director general of the BBC from 1969 to 1977 who died yesterday aged 58, was to preserve the corporation's identity unmarked in spite of severe onslaughts from a variety of outside sources.

Sir. Charles found himself acting as defender while Government, financial constraints and pressure groups concerned at broadcasting standards all tilted at the BBC's much-prized independence. After the free-wheeling liberalising 'sixties the BBC was plunged into a series of political brushes, the worst being the Yesterday's Men episode, which included the constant bickering over Northern Ireland news coverage. The remarkable acvhievement of the BBC in the seventies — Curran's decade — was that it survived despite constant threats of dismemberment.

His successor, Mr. Ian Trethowan, inherited an empire little altered although Curran did realise one of his ambitions by relaxing direct control of central authority without shedding any ultimate power.

Sir Charles was the son of an army schoolmaster. A bright youngster, he won a scholarship to Magdalene College, Cambridge, where after an interruption for war service, he took a double first. He joined the BBC soon afterwards.

Apart from a short break in journalism, he remained there, rising rapidly as an administrator. When he was appointed director general under Lord Hill's chairmanship, he was regarded as a grey figure, although this was soon disproved.

Increasingly, Curran moved into the limelight, beating off assaults with a vigour which often owed more to indignation than diplomacy, and all the time dealing with an organisation which was ever more hard pressed financially.

Sir Charles left the BBC with something which seemed very much like relief to become managing director of Visnews, the television news agency. He soon became broadcasting's "elder statesman," free of the encumbrances of his BBC role, but ever eager to continue his campaign in its defence.

His acerbic public attitude to the various Downing Street incumbents, and to such other critics as Mrs. Mary Whitehouse, were not reflected in his relationships at a personal level, where he showed himself to be an amiable conversationalist and a helpful friend.

He leaves a widow, a married daughter and one granddaughter. Sir Charles died after a heart attack at Barnet General Hospital in Hertfordshire.

A.S.

BNOC plan attacked by TUC

THE TUC has attacked the Government's plans for injecting private capital into the British National Oil Corporation.

To allow the corporation, "a national asset," to slip out of public control would be "a betrayal of our national interest" financially and strategically, the TUC Economic Committee said yesterday. The TUC would press the Government to ensure that the corporation remained under public control.

The Government is expected to announce its plans for reorganising the corporation in a few weeks. They are likely to include the splitting of its interests, with the oil trading arm still fully State-owned and private investment invited into the oil exploration and production wing.

Wealth still concentrated

BY DAVID MARSH

THE RICHEST 1 per cent of the population own more wealth than the bottom 80 per cent; and the top 10 per cent receive five times the average income of the lowest 50 per cent. These are two of the principal points highlighted by the Royal Commission on the Distribution of Income and Wealth in its final report released yesterday.

Summarising the Royal Commission's findings on the spread of income and wealth in Britain during its five years' work, it is the last publication following the Commission's winding up by the Government last July.

The Commission also records that almost three quarters of the lowest paid workers in Britain are women, in spite of a 50 per cent increase in women's earnings over the last two decades compared with men's.

Wealth is still highly concentrated, with 25 per cent of wealth owned by 1 per cent of the population in 1976. The proportion of total wealth in the hands of the richest 1 per cent has fallen from about 60 per cent in the early 1920s, and even in 1966 the share was 31 per cent.

If pension rights are included as wealth, the present share of the lowest 80 per cent is almost doubled. In 1976, homes made up 37 per cent of wealth and company shares 10 per cent, against 19 per cent and 21 per cent respectively in 1960.

The proportion of ordinary shares traded on the Stock Exchange which are in the hands of individuals has fallen with the balance taken up by pension funds, insurance companies, and other institutions.

* An A to Z of Income and Wealth: Royal Commission on the Distribution of Income and Wealth: HMSO; £1.25.

Ford leads sales and imports

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

NEW CAR sales in the UK reached a record 1,716,275 last year, according to the Society of Motor Manufacturers and Traders' statistics released today. Imports took 56.28 per cent of the market compared with 49.32 per cent in 1978.

This was over 3 per cent higher than the previous peak of 1,661,639 achieved in 1973 and nearly 8 per cent up on the 1978 total.

Ford was not only market leader last year but also by far the most important importer.

Ford's imports represented 13.8 per cent of the total record market compared with the 5.97 per cent share achieved by Datsun of Japan, the leading "traditional" importer — as distinct from such companies as Ford and Vauxhall which have long-established domestic facilities.

Of the 485,559 new Fords registered in 1979 about 48.81 per cent were assembled outside the UK compared with 35.2 per cent of the 392,366 sold the previous year. Even so, Ford fell marginally short of its target of capturing 30 per cent of the 1979 market. It ended with a 28.29 per cent share.

BL, which had started the year hoping for 25 per cent, did not even manage to retain a 20 per cent share. Although it remained the major UK car manufacturer — 320,278 of its British-built vehicles were registered compared with 248,550 British-built Fords — its market share slumped from 23.48 per cent in 1978 to 19.63 per cent.

Apart from the Ford plants in West Germany, Belgium, Spain and Ireland, Continental manufacturers gained most from the buoyant market last year.

The EEC manufacturers' share (excluding their British plants) jumped from 32.81 per cent (522,248 cars) to 38.2 per cent (655.557 cars).

Renault increased its penetration from 4.37 to 5.45 per cent. It will certainly overtake Datsun as the leading importer this year, because the Japanese company will be constrained by the voluntary restraint on shipments.

The Japanese stood by their undertaking to the SMMT to take a "prudent" view of the UK market last year. Their share slipped from 10.96 to 10.78 per cent. In volume terms Japanese car sales were up from 174,494 to 185,084.

Datsun made a spectacular end to last year, taking more than 11 per cent of the market and having four cars in the "top ten" — the Sunny at 6, and Bluebird at 8, the Violet at 9 and the Cherry at 10.

The company said this was because dealers were selling off outdated 1979 cars at reduced prices to improve cash flow.

Among the 1979 "winners," Volkswagen/Audi pushed up its market share from 3.97 to 4.44 per cent. The importing company is a Lonrho subsidiary. The Lex group offshoot which imports Volvo cars also had a good year with a market share increase from 1.88 to 2.13 per cent.

Vauxhall's production problems put it among the "losers." Not only did its market share fall severely—from 8.22 to 6.54 per cent—but so did the number of Vauxhall cars registered.

UK CAR REGISTRATIONS

	December				12 months ended December			
	1979	%	1978	%	1979	%	1978	%
Total UK produced	26,835	40.10	28,750	46.66	750,366	43.72	806,872	50.68
Total imported†	40,095	59.90	32,870	53.34	965,909	56.28	785,067	49.32
Total market	66,930	100.00	61,620	100.00	1,716,275	100.00	1,591,939	100.00
Ford*	20,728	30.97	10,469	16.99	485,559	28.29	392,366	24.65
BL*	10,803	16.14	16,276	26.41	336,984	19.63	373,793	23.48
PSA—Chrysler*	4,361	6.52	6,486	10.53	119,433	6.96	112,562	7.07
Citroen	1,431	2.14	1,360	2.21	34,015	1.98	31,957	2.01
Peugeot	1,321	1.97	1,416	2.30	37,980	2.21	31,345	1.97
Total PSA	7,112	10.63	9,262	15.04	191,428	11.15	175,864	11.05
General Motors—								
Vauxhall*	3,721	5.59	5,692	9.23	112,398	6.54	130,993	8.22
Opel	954		915		27,216		22,199	
Other GM	75		71		1,330		897	
Total GM	4,741	7.08	6,678	10.84	140,944	8.21	154,089	9.68
Datsun	7,406	11.07	2,733	4.44	102,395	5.97	101,735	6.39
Renault	4,076	6.09	3,287	5.33	93,468	5.45	69,627	4.37
Fiat	1,977	2.95	2,774	4.50	70,626	4.12	72,192	4.30
VW/Audi	2,716	4.06	2,825	4.58	76,288	4.44	63,222	3.97

* Includes cars from companies' Continental associates which are not included in the total UK figures.
† Includes imports from all sources including cars from Continental associates of UK companies.

Source: Society of Motor Manufacturers and Traders

Pension scheme rules criticised

BY ARNOLD KRANSDORFF

LACK of information about pension liabilities in company accounts was strongly criticised yesterday by Mr. Michael Renshall, a partner in the accountants Peat Marwick Mitchell, at a Financial Times conference in London on problems in accounting.

He described present disclosure requirements as inadequate, and said pension schemes were "one of the most obscure areas of financial reporting."

The Accounting Standards Committee was expected to publish an exposure draft on pensions in the next few months, he said.

He called on the committee not to be "too prescriptive" in its recommendations on pension accounting at this stage.

"It should instead go first for encouraging more disclosure about pension schemes," he said.

The draft should be confined to certain areas. He suggested that the amount charged to the profit and loss account relating to pensions should be separately disclosed, showing prepayments, past service payments and deficiency costs.

Companies should be urged to disclose the extent to which they invested the funds of a scheme in their own business. He estimated that there were about 1000,000 pension schemes, of which about 1,000 had more than 1,000 members.

Overall, employer contributions to private-sector schemes totalled more than £2.5bn, over 12 per cent of eligible salaries.

It was difficult to predict how long it would take for the committee to publish a fully-fledged standard on the subject. "This will depend on how much turmoil the exposure draft creates."

An agreed standard on inflation accounting for large and listed companies could be ready by the end of March, said Mr. Douglas Morpeth, chairman of the Accounting Standards Committee steering group on inflation accounting.

He thought the committee would make no basic changes to the standard for about three years.

Mr. Morpeth, who is chairman of the board of partners of Touche Ross & Co., said the steering group and committee were very conscious that the last few years had been fluid to say the least in attempts to introduce a method of accounting to reflect price changes.

"What is needed now is a period of stability, once the standard is in operation. Other standards will of course be issued such as on leasing, pension funds accounting, foreign currency translation, and they will take into account the existence of the standard on CCA."

The committee has to agree the standard by ballot in mid-February.

Among the main changes to the draft on inflation accounting is definition of a large company, which Mr. Morpeth said would be based on the proposed definition in the fourth directive, which would be enacted into legislation next year.

A company must satisfy two or three criteria to be classed as a large company: a turnover of at least £5m a year; a balance sheet total of £2.5m as shown in historic cost acounts; and an average number of employees greater than 250 in the UK.

Encouragement would be given to companies to quote comparative figures, and figures in five-year statements adjusted to a common price basis. The committee intended to make an exposure draft "as soon as possible" on how this could be done.

FINANCIAL TIMES
PROBLEMS IN ACCOUNTING
CONFERENCE

"I believe that most people now recognise that the historic cost system has been shown up as a fallen idol by the period of inflation through which we have been going. We can no longer say that the HC enables us to do other than mislead."

Mr. Barry Riley, editor of the Lex column in the Financial Times, spoke of developments in segmental data. He called for improvement in techniques of presentation of segmental information in annual reports. There would be advantages if the data was presented in a standardised tabular form.

It was important that data on capital employed be disclosed on a segmented basis, allowing calculation of returns on capital.

Some way must be found of defining different segments in enterprises normally considered wholly or largely in a single industrial classification.

Equity stakes of less than 20 per cent could be treated as an associate item in profit and loss account if new recommendations were accepted by the committee, said Mr. Martin Gibbs, senior research partner at the stockbrokers Phillips and Drew and a member of the committee's review body.

The rule is that associate contributions apply to stakes of between 20 and 50 per cent, a concept enshrined in SSAP1, the accounting standard on associate companies, now being reviewed.

The proposed change means that the UK will abandon the rigid cut-off at 20 per cent of the equity voting rights, and brings the definition of an associate company closer to that in the U.S. and internationally.

It is proposed that companies separate the balance-sheet value of associates into goodwill including premium on acquisition and other net assets.

Mr. Gibbs said the exposure draft was open for comments until March. The new rules would become effective late this year or early next.

Referring to the proposed changes in balance sheet presentation, Mr. Gibbs said that the loans to and from associates should be grouped with the shareholding to show total net investment in associates.

Amounts relating to associates in trade debtors and creditors should be disclosed, if material.

A call to rationalise the various accounting bodies was made by Mr. P. J. Custis, director of finance of Guest Keen and Nettlefolds.

There were six separate accounting bodies, each holding a Royal Charter, in addition to the Association of Corporate Treasurers.

"Separate operations are wasteful of limited resources. Either integration or federation is urgent," he said.

Atkins tries to defuse Ulster talks

BY STEWART DALBY IN BELFAST

IN AN attempt to keep his troubled constitutional conference on Northern Ireland alive, Mr. Humphrey Atkins, the Secretary of State, yesterday tried to divest the talks of any discussion about the most contentious issues: Irish unity and security.

At the end of the first three-day session, the Northern Ireland Office issued a terse statement *saying that delegates of thre of the four political parties* who are attending the talks have agreed to adjourn and meet again on January 21.

It has clearly emerged, however, that the delegates have not been able to agree on what should b discussed. Mr. John Hume, leader of the Social Democratic and Labour Party and the main Catholic representative taking part, has insisted that some discussion of the so-called Irish dimension should be included in the conference. In thsi he has been fiercely opposed by Mr. Ian Paisley, the main representative.

At the end of the first session Mr. Atkins issued a vaguely worded statement saying he would invite the leaders of the four parties to meet him to discuss certain matters outside the task of the conference as defined in the working paper.

In other words, Mr. Atkins has been seen to try to centre any discussion of the Irish dimension and security, which is Mr. Paisley's apparent major concern at present, to separate talks.

There is no suggestion as yet that Mr. Atkins will try to run two conferences, but rather that *he will try to talk to the various* parties on a bilateral basis about the vexed issues.

This would allow the conference to return to the original terms of reference outlined in the discussion document of last November. This ruled out any discussion of the Irish dimension and security. It concerned itself with methods of developing more power to local politicians and outlined six possible models.

These ranged from a return to a fully devolved dicameral legislature along the lines of the Stormont Parliament, which was Unionist-dominated and abrogated in 1972, to a system of local councils with executive authority but little legislative power.

Britain 'lives on tick'

By John Hunt, Parliamentary Correspondent

A STRONGLY-WORDED warning about the tremendous burdens imposed by the size of the Government sector debt was given yesterday by Mr. Patrick Jenkin, Social Services Secretary.

"The towering, frightening" volume of public sector debt and the enormous burden of interest needed to service it, is one of the most ominous threats the country faces, he told a meeting in Oldham. Britain had to live within its means. *The harsh fact was that* the nation was living on "tick."

For each of the three years —1978-79 to 1980-81 — the *nation would have to find* £10bn simply to pay interest on the Government debt.

That was more than the entire spending on health and personal social services, more than the spending on education, science, the arts and libraries, and more than the total defence budget.

The situation had arisen because successive governments had spent more than they earned and had made up the difference by borrowing. Clearly, this could not continue.

● NEWS ANALYSIS—WIDE NEW POWERS FOR OFFICE OF FAIR TRADING

Car industry among targets

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE OFFICE of Fair Trading *has started its preliminary* investigations into which companies and anti-competitive trade practices should be examined under the Government's new Competition Bill.

The Bill is not expected to become law until late February or early March, but the office, aided by former staff from the defunct Price Commission, is evaluating likely targets for investigation. It cannot, however, use its new powers until after the Bill becomes law.

Among these are the car distribution network and nation*alised industries.* Several other areas are also being considered.

The Government has already announced that the first investi*gation to be carried out by the* strengthened Monopolies and Mergers Commission will be into British Rail's south-eastern commuter services. But industry is becoming increasingly aware just how much power the Office of Fair Trading will wield under the new legislation.

Unlike the old Price Commission investigations, which were sparked off by companies giving notice of intended price rises to the Commission, the office will have the virtual freedom to investigate any "course of conduct which has, or is likely or intended to have, the effect of restricting, preventing or distorting competition."

Existing competition legislation, such as that covering *monopolies or restrictive trade* practices, involves much closer definitions of activities deemed detrimental to a competitive environment.

But to prevent companies from finding loopholes in the competition laws, the Government has decided to keep the definition of anti-competitive practices as vague as possible.

Under the Competition Bill the Office of Fair Trading, once it has identified possible anti-competitive practices by a single company or group, will carry out a short preliminary investi*gation to establish* whether a prima facie case of limited competition exists.

This investigation can be *vetoed by the Secretary of* State for Trade during the first 14 days. On its completion the office will publish a report defining the anti-competitive practice and stating why it should be investigated by the Monopolies Commission.

At this stage companies can give undertakings to the office that they will end the practice and thus forgo the need for an investigation.

If no undertaking is made or accepted then, within eight weeks of the report being published, a competition reference will be made to the Monopolies Commission, which has six months to complete its part of the job.

If the Commission confirms *the existence of an anti-competi*tive practice, it will then consider whether or not this operates against the public interest (a criterion the Commission has to use under its monopoly and merger investigations).

If this is the case, the Secretary of State has wide-ranging powers to order the company or companies to end the practice. These include regulation of a company's prices.

Other investigations can be referred directly to the Commission by the Secretary of State. *The inquiry in British Rail's ser*vices will fall into this category.

Although the Office of Fair Trading has a wide latitude in determining which cases to investigate, it has found the task more difficult than had at first seemed likely.

The reason is that many anti-competitive practices that it considers should be investigated have already been inspected by the old Price Commission, the Monopolies Commission, or the office itself as part of its previous action to promote competition.

Two particular practices, for example, which would probably have been considered are full-line forcing (the practice of forcing a purchaser to buy the full range of goods offered by a supplier and not just those the purchaser wishes to buy), and tie-in sales (tying the sale *of one product to the sale of* another).

Both these areas, however, are already under investigation by the Monopolies Commission under its existing powers. Similarly, the Commission is investigating the practice under which manufacturers give discounts to larger retailers.

A clue to the likely areas of investigation was given by Mr. Gordon Borrie, Director General of Fair Trading, in his recent Shell lecture

Mr. Borrie emphasised "that it is unlikely that a firm's prac*tices could be considered anti*competitive unless it had significant market power."

Further clues to the criteria of anti-competitve practices to be considered will be found in the Green Paper published early last year, which reviewed restrictive trade practices policy.

Mr. John Nott, Trade Secretary, has made it clear several times that parts of this paper spell out the Whitehall thinking *on the new competition powers.*

One of the main points made in the Green Paper is that "many kinds of anti-competitive behaviour are intended to create, or have the effect of creating, barriers to market entry, with the result that it becomes more difficult for firms, especially small firms, to establish themselves in or to venture into new markets."

But the Green Paper acknowledges that there are difficulties in determining whether anti-competitive practices operate against the public interest.

An exclusive franchise or dealing, for example, may be an anti-competitive device when operated by a dominant company, but it may also provide a means by which a new entrant can establish a foothold in the market.

Nonetheless, the office is known to be *looking especially* closely into such sectors as the car industry. In particular the car components industry is being *considered for investigation,* following one of the final Price Commission reports into the industry.

Another area under review is the car transporter trade, which the Office of Fair Trading has been closely watching for the past two years.

The office may also decide to use its new powers to investigate allegations of manufacturers refusing to supply dis*count retailers. Both the Tesco* and Argus stores groups have recently complained about manufacturers refusing to supply them with goods.

The office is likely to steer clear of such politically sensitive areas as the baking or brewing industries, but may consider the gas or electricity industries potential targets for investigation.

Coal 'will be leading fuel for industry'

FINANCIAL TIMES REPORTER

COAL WILL be the leading industrial fuel in the year 2,000, a senior official at the Department of Energy told an inquiry yesterday.

Mr. Philip Jones, a Deputy Secretary of the Department responsible for co-ordinating energy policy forecast the fuel "pecking order" for the year 2000, with coal ahead of gas, and electricity and oil joint *third.*

It was the second day at the inquiry at Stoke Rochford, Lincs, that Mr. Jones lent strong support to the NCB's plans to create new coal mines. The Board is aiming to dig three pits in the Vale of Belvoir area of North East Leicestershire.

"We would see a declining role for coal in power stations but markets for coal in other areas will expand," Mr. Jones *said.*

His department had studied coal's prospects beyond the year 2000 and although this was "very difficult and speculative" they concluded that prospects are bright with coal expected to expand in the synthetic gases, synthetic oils and petrochemicals fields.

During more than five hours of questioning by Sir Frank Layfield, QC, for Leicestershire County Council, Mr. Jones repeatedly declined to put actual prices on his predictions, *and said that if he did,* people would try to estimate future wages of miners.

Mr. Jones said his department assumed the coal industry would be back to viability very shortly, and the Secretary of State would be making a full statement on the Government's financial objectives for coal in about a month's time. He said the Government would not change the proposition that *coal, in line with other* nationalised industries, was required to obtain a 5 per cent return on new investment.

Planned approach urged for redundant managers

FINANCIAL TIMES REPORTER

COMPANIES are not doing enough to cope effectively with the problem of executive redundancy, according to the Institute of Personnel Management (IPM).

In a special survey published today, it said too much emphasis was placed on compensating redundant executives financially and not enough on formulating a planned approach to deal with the problem.

Such an approach would incorporate, for example, career counselling, the use of *sabbati*cals to keep executives up to date on specialised *knowledge,* and preparation for early retirement.

The survey said that only 60 per cent of organisations had any formal procedures for dealing with redundant executives. General managers and production managers were the most affected.

The survey said that methods *of recruitment were satisfac*tory, with the exception of the Government's Professional and Executive Recruitment service, which was criticised for an alleged lack of industrial and commercial knowledge, and *administrative* incompetence.

Internal promotion is the most popular method for executive recruitment at all levels, but the use of selection consultants and executive search organisations increases for more senior positions.

Salisbury flights resume

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS yesterday reopened air services between the UK and Salisbury in Rhodesia after a break of 14 years.

There will be twice-weekly Boeing 747 flights between London's Heathrow airport and Salisbury via Nairobi, leaving London on Wednesdays and Fridays and returning on Thursdays and Saturdays. The flights will carry passengers and cargo.

Mr. Ross Stainton, chairman of British Airways, who travelled on the first flight to Salisbury yesterday, said the airline expected as many as 37,000 businessmen and tourists would fly between the two countries in the first year.

British Airways intends to increase the frequency of flights to Salisbury in the spring. It believes trade between the two countries could quickly reach £200m a year.

Mr. Gerry Draper, director *of commercial operations for* the airline, said BA expected to carry thousands of holidaymakers this year, including many from the U.S. It is already planning package holidays in Rhodesia.

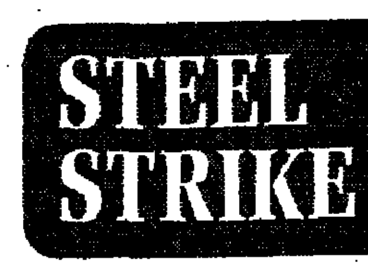
EEC team sees flood damage

THREE EEC officials yesterday inspected flood damage in South Wales following a request for Community aid by Mr. Nicholas Edwards, Secretary for Wales. They toured badly hit areas in the valleys and later had talks with Mr. Edwards in Cardiff.

The floods, just after Christmas, were the worst to hit South Wales for 20 years. The cost is expected to run into many millions of pounds.

Industry fears early blow to output

BY ROY HODSON



Industry is becoming less confident of its ability to withstand a steel strike for up to six weeks without a fall in production.

Effective picketing of steel movements, steel stocks and steel imports is forcing a number of companies to a reappraisal as the strike enters its second week.

The International Steel Trade Association, the largest body concerned with steel trading sent a message to the Government last night claiming that "the effect of the strike with its picketing is worse than has been reported in the Press."

The Confederation of British Industry warned yesterday that there will be serious consequneces if the strike drags on. In his first major statement since the strike began, Sir John Methven, the CBI director-general, forecast that British industrial output could dry up and that thousands of jobs would be lost if the strike continues.

At least two big British manufacturing companies which purchase processing plant worth many millions of pounds each year have switched orders to foreign plant makers during the past few days. The decisions are based on fears that orders placed with British process plant makers may be delayed by steel shortages.

Mr. Harry Hornsby, director of the Process Plant Association, whose members use nearly 1m tonnes of steel a year, said yesterday that such fears could not be justified. Orders placed now would not require steel for fabrication for about 10 weeks. By then his members expected the strike to be over, and British Steel would be in a position to make up steel order backlogs by special imports.

Stocks of steel at factories and in stockholders' and merchants' warehouses still total about 4.5m tonnes. Steel consumption in Britain has been averaging about 300,000 tonnes a week in recent months.

Yet there are growing doubts among industrialists over the ready availability of specific types of steel from stocks and from the ports.

Special steels look like becoming scarcer quite quickly following a decision of the Swedish stevedores' union yesterday that its members will not handle any steel exports to Britain during the strike. Similar action by Swedish seamen and transport workers is expected, and could halt all trade between Sweden and Britain in steel products. Sweden has a big traditional business with Britain in special steels.

Many of the International Steel Trade Association members have goods in British warehouses which have been in stock since well before the strike but cannot be delivered because of union action.

The association stated: "At local level, particularly at the ports, certain trade unionists seem to have taken it upon themselves to decide just who may, and who may not, move steel."

Selective picketing in Midlands is 'spasmodic and light'

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

Ductile Steel in the West Midlands, was eased yesterday, enabling the company to recall 200 workers laid off.

Mr. Norman Dukes, group works director, said following talks with the Iron and Steel Trades Confederation, that the union had now imposed "a monitoring team" rather than a blanket picket. The union would inspect deliveries to ensure that no foreign or British Steel Corporation products were used.

The West Midlands region of the Confederation of British Industry said last night that picketing was "spasmodic and light." Some six or seven stockholders had been affected. Mr. Reg Parkes, chairman of the regional council, said member companies were determined to maintain production.

Most companies had on average four to six weeks' supply. The only real threat would come if a key component was denied to a company such as BL.

Mr. Roy Bishop, Midlands divisional officer of the ISTC, said the CBI was "merely trying to put a brave face on the situation." Some 300 men were picketing 26 sites in the region, and the steel stockholders were "already squealing" at the pressure. About 100 extra pickets were being drafted in today from South Yorkshire to tighten the grip.

Mr. Bishop said pickets had prevented two lorryloads of foreign steel going to BL plants in Birmingham. "We have a message for Sir Michael Edwardes, the BL chairman, who tells people to buy British: he should practise what he preaches," he said.

All the depots of the British Steel Stockholding Corporation, the BSC subsidiary, were at a standstill last night because of union action and picketing. The three principal companies, Lye Spencer, Herring Shore and Cummins and Cutler, have thousands of tonnes of steel bottled up by the pickets.

First closure in private sector

BY RHYS DAVID

SHEFFIELD'S PRIVATE steel-making sector faces its first shutdown tomorrow because of picketing by British Steel Corporation strikers.

About 160 employees of Alloy Steel Rods—jointly owned by BSC and Arthur Lee, but classed as part of the independent sector—will be laid off. Steel rolled by the company for the Lee group has been unable to leave the plant since the strike began.

There are renewed hopes, however, that picketing of another Sheffield private sector group, Hadfield's, could ease after two officials of the Iron and Steel Trades Confederation visit the plant this morning.

The company has agreed to allow an inspection of the works to show that no attempt is being made to carry out work normally done by BSC. The company is the only private sector steel maker in Sheffield in direct competition with BSC and has offered guarantees to the unions that it will limit its weekly production to about 5,000 tonnes of billets. This is 72 per cent of capacity and the output level before the start of the engineering strike last year.

If the ISTC officials are satisfied, they may offer Hadfield's special exemption, but whether the pickets would accept it is another matter. Five pickets who were arrested outside the plant on Tuesday appeared in court yesterday charged with obstruction. Each was given a conditional discharge.

A further two pickets were arrested outside Hadfield's yesterday. In an attempt to reduce tension, three senior police officers visited picket lines in various parts of the city for talks with strike leaders.

● GKN Steelstock, the country's leading private steel stockholder, said yesterday that limited, peaceful picketing had spread to its general steels division at Bristol. But the only GKN warehouse where pickets were preventing the delivery of steel was that at Hebburn, Tyneside.

Factory output may dry up says CBI

BY MAURICE SAMUELSON

A FORECAST that the output of British factories could dry up and that thousands of jobs would be lost if the steel strike continued was made yesterday by Sir John Methven, director-general of the Confederation of British Industry.

In the CBI's first major statement on the strike, Sir John warned that imports would flood into Britain. He also fully backed the BSC's stand on pay and urged the Government to speed its proposed legislation on secondary picketing.

He said most companies had good stocks of steel, but there would still be serious consequences if the strike dragged on.

"It will worsen the already weakened position of the many British companies still struggling to recover from the road haulage and engineering disputes."

The country could not afford to pay itself more than it earned. CBI members "fully understood that the BSC is running at a loss and that it cannot pay out money it has not earned from production and sale of its products. Any available pay can only be made available through substantial improvements in productivity."

The CBI was watching union activities closely. There had already been cases of unreasonable and sometimes violent picketing. "It was precisely for this reason the Government introduced a Bill to limit picketing toa striker's own place of work. The sooner this became law the better."

In a forecast on the effects of the strike Sir John said: "If the output of factories dries up, the UK will be subjected to even greater imports of foreign steel in the form of manufactured products, from motor cars to nuts and bolts. Orders and jobs will be lost, many of them permanently. This action by the trade unions can only provide jobs for foreign workers."

The CBI warning followed a statement by Sir Richard Marsh, chairman of the British Iron and Steel Consumers Council, that 4m jobs in steel using industries were being placed at risk.

The CBI believed the car and domestic appliances industries could be most vulnerable. If British supplies of these goods were curtailed, consumers would quickly switch to foreign products.

Furnace lining lay-offs feared

BY MAURICE SAMUELSON

THE FIRST lay-offs are expected next week in the refractories industry, which makes the heat resistant brick linings of blast furnaces, if the strike is not brought to a halt before then, the Federation of Clay Manufacturing Industries said yesterday.

Three of the leading manufacturers have already given protective notices of possible lay-offs to their staffs. Of some 30,000 workers employed by federation members, about 4,000 are engaged in making refractories.

English clearing bank staff to demand 25%

BY NICK GARNETT, LABOUR STAFF

A CLAIM for 25 per cent rises for English clearing bank staff, and more for some groups, was fixed yesterday by the Banking, Insurance and Finance Union.

The union, which represents 68,000 out of more than 200,000 clerical and managerial staff in the English clearers, is seeking a rise of 32 per cent on the minimum salary and 31 per cent on middle-range salaries of cashiers, a principal clerical group.

It also wants the banks to agree not to set a duration on the settlement, which is to operate from April, so that the union could come back for extra money if it felt that was warranted.

Union officials said that the claim was related to the bank's ability to pay, at a time when the Government appeared to be emphasising that criterion to unions and employers.

The union gave warning that it would invoke industrial action by data-processing staff if it felt that necessary. It did so last year at the Midland, disrupting cash transactions and other activities.

Although the union has a much smaller membership than the joint membership of the staff associations operating separately in three of the five clearers, its members are more widespread among computer staff.

The staff associations, which will also be seeking hefty rises and improvements in differentials, have still to decide their claim.

Mr. Leif Mills, BIFU's general secretary, said yesterday that the union wished to negotiate centrally with the Federation of Bank Employers, but would refuse to do so if the federation wanted negotiations conducted jointly with the staff associations.

The union would try to negotiate separately with the banks if the federation was slow in dealing satisfactorily with the claim.

The bank's negotiators will not be assisted in resisting the claim by the very high half-yearly bank profit figures. They will probably argue, however, that this year's settlement should be lower than it would otherwise have been because last year's settlement ran only for nine months.

The unions' view is that last year's settlement, which totalled about 19 per cent, is water under the bridge.

Apart from the 25 per cent general salary rise, this year's claim involves an increase on minimum salary from £1,978 to £2,600 and on middle-range cashiers' salary from £3,585 to £4,700.

Union officials said the banks could double all salaries and still make a profit.

Appeal to Airways engineers after union rejects 17% rise

BY PHILIP BASSETT, LABOUR STAFF

BRITISH AIRWAYS yesterday appealed to its 11,000 engineering and maintenance staff not to take the industrial action planned for today, after unions representing the engineers had rejected a new offer by the company of a pay rise worth 17 per cent.

The offer, which would give lead tradesmen an increase of £16.19-£18.57 per week, was put to the unions in talks which ended early yesterday morning. The company said considerable progress had been made but the offer had been rejected.

Mr. John Garton, British Airways engineering director, made it clear in a letter to the engineers yesterday that there would be no more money forthcoming. The offer was the best the airline could make and was generous in the present circumstances when BA, like other airlines, had been hard it by increases in fuel and other costs.

The planned industrial action, he said, would only damage the airline at a crucial time.

The eight shifts of the engineering staff are expected to refuse to turn up for work at the airport from 6.30 this morning in what the unions describe as a "roll-on" overtime ban in support of a 25 per cent pay claim.

British Airways said yesterday that it planned to operate most of its services but there would be some planned cancellations, including some domestic and European flights tomorrow and Saturday.

● British Rail has accepted a union proposal to backdate part of an arbitration award to this month after the three rail unions agreed to wait for the award's implementation until March to help the BR Board out of its present financial difficulties.

The board told the unions earlier this month that it would be banning recruitment for a month and halting some track relaying work, as well as not consolidating into basic rates as expected the final £2 of a £6 supplement outstanding from Stage One of the previous government's series of pay controls.

Its decision was seen as an indication of the financial pressures on the industry after the Government's decision to reduce BR's cash limit from £730m to £715m as part of its spending cuts.

The Board announced yesterday, though, that it had agreed to backdate the consolidation to January following the unions' acceptance that its financial position would not allow it to implement the award until the end of the financial year.

The largest rail union, the National Union of Railwaymen, had warned that if the award was not backdated it could lead to trouble in the industry.

Shippers response due today

BY NICK GARNETT, LABOUR STAFF

BRITISH SHIPPERS are due to respond today to a claim from merchant navy officers that a 17½ per cent pay deal concluded at the end of last year should be improved by a further 6 per cent.

The claim follows a 24 per cent settlement for merchant navy seamen which was agreed shortly after the officers' deal. During negotiations on the officers' settlement—which the General Council of British Shipping says would add 19 per cent to costs when an extra 5 days' leave are taken into account—employers said they would be prepared to discuss the possibility of consolidating the last three pay supplements before the next pay settlement.

They want to do this, however, on a minimum cost basis and argue that it can be consolidated at very low cost to the industry. The unions have told the general council that they want the supplements consolidated in such a way as to yield a further 6 per cent. The deal with the seamen involved an agreement to examine leave patterns and draw up guidelines for reducing overtime. If these were put into force, employers say the seamen's settlement would be worth less than 24 per cent on costs.

Average yearly earnings for officers following the recently concluded deal range from £6,000 for junior engineers to £18,000, with the average rate for all masters at £14,250. Leave entitlement is 134 days.

FINNISTON REPORT WARNS THAT BRITAIN FACES REAL ECONOMIC DECLINE

'Champion of change' plan for engineering

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

WIDE-RANGING proposals which could lead to changes in the structure of the engineering profession and the education and training of engineers are contained in the Finniston Report* published yesterday.

The most important recommendation by the committee set up in mid-1977, is that an engineering authority be established. The authority will be the "champion of change," says the report, providing "strong leadership" in the field of engineering, and ensuring that other recommendations in the report are implemented.

The report also proposes substantial changes in the present system of educating and training engineers, with the introduction of a three-tier system requiring very close co-operation with employers.

The report outlines the relative decline of British manufacturing industry, and warns that "real economic decline now stares Britain in the face."

The regeneration of competitiveness "must be given overriding priority in national policies with the emphasis on developing market-oriented engineering excellence in the products made by British industry and in the production of them."

Monitor

The philosophical outlook that must be adopted by the British people towards industry is coined "the engineering dimension," which requires the involvement of engineers in the technological expertise of an enterprise, which is then related to its strategic and market objectives.

The committee proposes that the engineering authority will be the instrument of this change. It will also monitor the impact of the other recommendations in the report. It will review the progress of any changes and reassess the committee's proposals in the light of circumstances and practical experience.

The authority should consist of 15 to 20 members appointed by the Secretary of State for Industry. Membership should reflect the range of interests in engineering and a majority of members, including the executive head, would be engineers.

The report considers ways of attracting more school leavers to engineering, pointing out that any shortages of engineers today (which seems to be a shortage of specific skills rather than of applicants for vacancies) will be more serious in 10 years because of the falling number of 18-year-olds.

A majority of the committee recommends that all students accepted to accredited engineering degree courses should be assured of bursaries of at least £250 a year above their mandatory local education authority awards. This would cost about £10m a year if current student numbers were maintained.

"Active employer involvement" is necessary to ensure a future supply of well-prepared recruits, and the committee recommends that "engineering manpower audits," already carried out by some companies, should be extended through industry.

The importance of innovation is emphasised, with a recommendation that the Government, employers and trade unions work together to establish a national programme for training and retraining employees in the skills and support needed to implement new technologies.

In the search for improvement across whole sectors of industry, the National Economic Development Council would be given an enhanced role whereby the Government, manufacturing companies and trade unions sought to reach a common understanding on objectives.

The integration of academic education and structured training and experience in industry (known on the Continent as the "formation" of the engineer) is proposed. Few of Britain's engineers have been properly prepared for their jobs, says the report, largely because employers have taken insufficient interest.

Qualification at three levels is proposed: Registered Engineer Diplomate, Registered Engineer and Registered Associate Engineer, based respectively on two new degree awards—to be called Master of Engineering and Bachelor of Engineering—and on development of the current Higher National or equivalent awards. Great importance is attached to students' ability to transfer between streams.

Hugh Routledge

Sir Keith Joseph, Secretary of State for Industry (left), and Sir Montague Finniston, chairman of the committee of inquiry into engineering, whose report was presented

The main difference between the proposed formation and the existing system is in the increased practical content of the degree courses required, and the necessity for accredited industrial training and experience for all engineers.

The improvements are meant to capture three features which give "enviable strength to the formation of engineers in continental Europe":

1—Recognising that a secure supply of high-calibre engineers is a prime national need that has to be safeguarded by statutory means;

2—Clearly differentiating between the intensive and extended preparation needed by a relatively small cadre of potential industrial leaders and the shorter, less analytical courses suitable for most mainstream engineers;

3—Establishing a philosophy of learning for purpose and not for scientific scholarship—in engineering.

Lord Howie of Troon, a committee member, dissociates himself from the proposal for a three-tier system of engineering education. He says the aim of producing a more elite cadre of engineers can as readily be achieved by stiffening the qualifying requirements largely as has already been proposed by the major engineering institutions.

After the initial formation the young engineers would be eligible for restration, and the process of continuing formation would start. Paid study leave should be obligatory on employers, and regional engineering centres should be set up.

Senior staff from engineering departments must be freed from university and polytechnic duties to allow them to participate, and the Department of Education and Science and the Universities Grants Committee must see that money is made available to pay for this.

The committee proposes substantial changes in the organisation of the profession, centring on a statutory register of engineers to be set up and controlled by the authority.

The register will be based on the improved formation package, and all registered engineers will be obliged to observe the conditions of a code of professional practice, much as chartered engineers now do.

Licensing

The restriction of engineering practice to registered engineers—licensing—has been rejected by the committee, but registration would become in effect a licence to practise since the register would be the required source of qualified engineers. Government and other public-sector employers are asked to take the lead in this.

But where there are considerations of public health and safety, licensing might be appropriate, and the authority should examine and advise on the introduction of licensing consultant engineers.

Existing engineers, who for some years will outnumber those qualifying under the new system, will be allowed on the new register, although the committee is not unanimous about the way this should be done.

The report proposes that the professional institutions, who will be freed of their responsibility as qualifying bodies, will be able to concentrate more on services such as the continuing formation of engineers, the dissemination of best practices and new techniques, and promoting engineering as a career for young people.

* *Engineering Our Future. Report of the Committee of Inquiry into the Engineering Profession. Cmnd. Paper No. 7794. Price £5.00. Summary version, price £2.00. Available through Government bookshops.*

Civil Service pensions attack

By Philip Bassett, Labour Staff

CIVIL SERVICE unions yesterday accused the Government of provocation by suggesting that civil and other public servants might be required to contribute more towards the cost of their pensions.

The Cabinet is considering ways to modify the present system of index-linked pensions because of what some Ministers see as an imbalance between the public and private sectors.

Mr. Bill Kendall, secretary general of the staff side of the Civil Service national Whitley Council, the umbrella body covering all nine civil service unions, yesterday described the suggestions as "misconceived" and a further example of the Government's "obsessive" desire to attack the Civil Service.

Interference with the agreed system would be a clear, deliberate and cynical breach of the Civil Service's pay agreement, which would have obvious industrial relations consequences. The anger simmering below the surface over pay and manning cuts would boil over.

Mr. Kendall said the Government could hardly have chosen a more unfair or provocative issue for a confrontation.

Civil servants forgo an average of 7 per cent of their pay as their contribution to the pension scheme, but Ministers seem to have accepted the view—held by both the civil service unions and Whitehall officials—that it is impossible to end inflation-proofing altogether.

Latest Esso offer will go to ballot

BY NICK GARNETT, LABOUR STAFF

DELEGATES representing Esso's tanker drivers and gantry operators decided yesterday to put out to ballot the company's latest pay offer, which includes basic salary rises of 17.95 per cent.

The ballot will ask the drivers whether they wish to extend industrial action, if they reject the proposals. The drivers have imposed a month-long overtime ban, which the company says has reduced deliveries by about one-third.

The action is in protest at a previous offer which, nevertheless, included the same basic rate rise now proposed.

The offer involves extra money on allowances and a £150 lump sum payment, which the company says will make the deal be worth 22 to 23 per cent over the year. Of the major oil companies now negotiating, only Texaco has so far reached agreement with its drivers.

● Esso drivers lobbied union leaders in London yesterday calling for a national stoppage in the pay dispute. Chanting drivers from the Stanwell depot stopped senior shop stewards as they arrived for a meeting at the headquarters of the Transport and General Workers Union to discuss the next move in the dispute.

Shouting "What do we want? £100" the group of about 30 men stood outside Transport House awaiting the outcome of the meeting between senior shop stewards and Mr. Jack Ashwell, the union's national officer for commercial road transport.

AA asks employees to vote on 17% offer

BY OUR LABOUR STAFF

THE AUTOMOBILE Association yesterday asked its 8,200 employees to vote on a 17 per cent staged pay offer which has been rejected by its unions.

One of the unions with members in the AA, the Association of Scientific, Technical and Managerial Staffs, accused the company of going over the unions' heads and ignoring established collective bargaining procedures.

Both ASTMS and the Association of Professional, Executive, Clerical and Computer Staff, which represents about 4,600 of the AA's staff, have rejected the offer, which would give an 11 per cent increase from January, with another 3 per cent in August and a final 3 per cent in November.

The company yesterday sent out an eight-page letter on the offer to all employees from Mr. P. A. Lovick, managing director, asking them directly whether they would accept the offer. Replies have to be in by January 22.

The company said yesterday that APEX, which had sole negotiating rights in the company, was fully aware that the letter was being sent out and had helped in drawing it up.

APPOINTMENTS

Senior post at Carless, Capel

Mr. Alfred Levy has been appointed group managing director of CARLESS, CAPEL AND LEONARD. Mr. John Leonard continues as executive chairman.

Mr. Roy Emerson, Mr. Ken Wiseman and Mr. Ken McDonald have been appointed directors of Carless Solvents, and Mr. Lou Stroud a director of Carless Petroleum.

★

Mr. Norman Roberts has joined the board of BRIDGWATER BUILDING SOCIETY, following the retirement of Mr. Frank G. Berry.

★

Mr. J. C. Brown, Mr. D. R. Drysdale, Mr. A. L. Robertson, and Mr. H. D. Seddon have been appointed assistant general managers at BRITISH ENGINE INSURANCE. Mr. Seddon continues as company secretary.

★

BROWN BOVERI KENT has made the following appointments: Mr. Michael J. Knight has succeeded Mr. Notley as managing director of Kent Process Control. Mr. Jim J. Lynch retains his responsibilities as director, personnel, Brown Boveri Kent, and assumes Mr. Knight's responsibilities as director, corporate planning.

★

Dr. Peter Weichhardt, head of the German subsidiary of Schindler, has been appointed to the Group management of its parent SCHINDLER HOLDING AG. Dr. Bruno Doenni, manager and management committee member of Swiss Industrial Company in Neuhausen Am Rheinfall, will join the Schindler Group management on July 1 as a successor to Mr. Hans-Rudolf Hofer, who is to retire.

★

CONSTANTINE HOLDINGS has appointed Mr. Gordon S. Planner, as managing director of Constantine International Trading Company.

★

Mr. Francis S. Fox has been made vice-president public and financial relations for RAYTHEON COMPANY. He replaces Mr. Richard P. Axten, who assumes collateral duties pending his retirement early in 1980.

★

The following directorships have been announced by JARDINE FLEMING AND CO., Hong Kong: Mr. A. R. Fleming, Mr. J. P. Newman, Mr. I. O. S. Saunders.

★

HARRISON INDUSTRIAL DEVELOPMENTS has made the following appointments: The company's founder, Mr. J. M. Harrison, becomes chairman and continues to direct development of electronic products. He is succeeded as managing director by Mr. J. A. Banks, who joins the company from IBM UK, where he had responsibility as branch manager for its sales to the major clearing banks. Mr. G. A. Forster, works manager, is appointed production director and Mr. C. R. C. Bradbury, sales director with special responsibility for expansion of European sales joins the board.

★

Mr. D. J. Bowler, director farm machinery sales and service, Massey-Ferguson (United Kingdom) has been appointed director marketing, Europe and world export operations, for MASSEY-FERGUSON from February 1. He reports to Massey-Ferguson's vice-president marketing in Toronto, but will be based in Coventry. His successor as director UK farm machinery sales and service will be Mr. Peter Barton, currently director European business development of Perkins Engines.

★

Mr. Peter Reynolds and Mr. Ian Wade have joined the partnership of ALBERT E. SHARP AND CO., stockbrokers. Mr. Rory Sweetman has been elected a member of the Stock Exchange and will be associated with Albert E. Sharp and Co.

★

Mr. Stanley Alfert, joint actuary and director of GRESHAM LIFE ASSURANCE SOCIETY, has become the appointed actuary of the Society under Section 15 of the Insurance Companies' Act, 1974, on January 1, 1980. On April 1 he will be appointed actuary to the Society following the retirement of Mr. John Leighton.

★

Mr. John Hignett has been appointed director and general manager of SIMPLEX-GE LIGHTING product department, Groveland Road, Tipton.

★

Mr. Gavin Simpson, director (development and sales), BRITISH RAIL Property Board, has been appointed to follow Mr. Robet Dashwood as managing director from March 31.

★

Mr. J. A. Smith has been appointed managing director, PLATT SACO LOWELL. He will be responsible for the UK operations of the company, a member of Stone-Platt Industries. He was previously chief executive of the David Whitehead Group.

★

Mr. B. W. H. Croft has been appointed to the Board of TWINLOCK.

★

Following his appointment to the Board of J. F. NASH HOLDINGS Mr. C. L. Parker has resigned as a director of J. F. Nash Securities. Mr. P. H. Dodson has also resigned. Mr. M. E. Smith, financial director of Reliant Motor Group has been appointed to the Board of J. F. Nash Securities.

★

Mr. L. A. Forrest has been appointed a local director of the south-west region of REED AND MALLIK, civil engineering division of the Rush and Tompkins Group.

★

Mr. Peter R. Ward-Lee has been appointed chairman of BESTOBELL HOME PRODUCTS, Bestobell Home Appliances and Bestobell Paints and Chemicals. He retains managing directorship of the latter.

Mr. Peter R. Ward-Lee

★

Mr. R. Cunliffe, overseas comptroller, becomes fiscal comptroller and Mr. J. W. Parrott, overseas accountant, is appointed overseas comptroller at ROYAL INSURANCE.

★

Mr. Antony Wolfe, eldest son of Mr. Geoffrey Wolfe, chairman of WOLF ELECTRIC TOOLS (HOLDINGS), has joined the Board as a non-executive director.

★

Mr. Roy Smith has been appointed works director of VEE BEE, Stourbridge (formerly Filtration and Valves).

★

WIGHAM POLAND GROUP has made the following appointments: Mr. Tony Willes to the Board of Expo-Sure, Wigham Poland's specialist company handling exhibition and conference insurances: Mr. Roger Lewis, director, Wigham Poland Home: Mr. Terry Skinner, to a newly-created position of general manager, administration, of the UK non-marine companies at Wigham House, Barking.

★

Mr. Frank Tinsdale has been appointed managing director of IVECO (UK).

J.I. Case and Poclain integrate marketing

J.I. CASE and POCLAIN have announced that they are integrating their marketing activities in the UK under the direction of Mr. James A. Streeter, who has been general manager of Poclain UK since 1971. J. I. Case is a subsidiary of the American Tenneco corporation, which also owns 40 per cent of the French-based Poclain group.

The move brings the UK into line with Germany, Spain and Belgium where the marketing operations of the two companies are already integrated. Both the dealer network and the direct selling operations of Case-Poclain in the UK have been expanding in recent months, with five new depots being opened around the country, and the appointment of five new product dealers.

★

Mr. W. M. Graham has been appointed chairman of ELLERMAN HARRISON CONTAINER LINE (jointly owned and operated by Ellerman Lines and the Charente Steamship Company), following the resignation of Mr. D. F. Martin-Jenkins. Mr. D. A. Lloyd and Mr. J. V. Sampson have resigned as directors. Mr. R. A. Dalzell, Mr. A. J. Chamberlain and Mr. R. H. S. Dilley have been appointed directors.

★

Professor Roland Smith has been appointed non-executive chairman of SHARP UNQUOTED MIDLAND INVESTMENT TRUST. Mr. N. C. Talbot-Rice and Mr. R. R. Meinertzhagen have been appointed joint managing directors. Mr. S. D. Sharp has been appointed a non-executive director.

★

Mr. S. M. Strange has been appointed an executive director of ALEXANDERS DISCOUNT COMPANY.

★

Mr. Richard J. Williams has been appointed managing director and senior officer for all the AMERICAN INTERNATIONAL GROUP companies operating in the UK and Ireland.

★

Mr. David Warner has been appointed director and general manager of LANGLEY FORK TRUCKS (NORTH WEST).

★

Mr. Con Folkes has been appointed a management director of JOHN FOLKES HEFO. He will continue to hold his previous appointment as managing director of JFH Steel.

★

Mr. C. R. Freeborough has been appointed managing director of WILLIAMS AND GLYN'S LEASING COMPANY and its subsidiaries.

★

Mr. P. E. Cooper has been appointed finance director of PETBOW, the main operating company of Petbow Holdings. He will be assuming the duties of Mr. J. B. Quin, who is resigning to take up another post.

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1 June to 6 June 1980.
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A GROUP OF quoted companies, involved in investment and property activities, metal trading and mining, have surplus accommodation in their new City offices (E.C.4). They are interested in hearing from anyone who requires office accommodation — reception, telephone, telex, etc., provided. Special arrangements for anyone who can assist existing group activities. Telephone 01-248 4333, reference L.T.

The new product art

The 1980s are said to offer extravagant new product opportunities. But the reality is likely to be far more down to earth than that.

ELIDA GIBBS, part of Unilever, has announced its first new product launch of the 1980's—a mouthwash named Reply. In the mentholated language of the mouthwash market, Reply is described as cool, minty-fresh and antiseptic.

"With Reply," says Elida Gibbs, "we are building a market that could grow from its present £5m to a dynamic £20m in only four years"—approximately a third as big as the toothpaste market.

To this end, the Lintas agency has devised a 30-second television commercial which projects the product as a "close contact confidence builder," writes **Michael Thompson-Noel.** According to Lintas: "The film uses very quick cuts of young couples in a variety of kissing situations where fresh breath confidence is essential."

Jolly good. A minty-fresh mouthwash is just what we need. According to Elida Gibbs, Reply is to toothpaste what hair conditioners are to shampoos (the conditioner market has grown from £6.5m to £23m in only five years).

But just how far will new product development actually travel in the next 10 years, across all markets and sectors? In the U.S., where this sort of forecast*ing is a well-established* art, the soothsayers have enjoyed a field day. For them, the 1980s will yield a wealth of new products, not least, of course, in the field of consumer electronics.

Most of us are now familiar with the prospects for satellite TV, or discs, or cassettes, or stereo TV; but what about a pocket translator: a shoulder-bag device that translates back and forth, hearing you in English and speaking to your listener in whatever language he understands? Or 3-D holographic movies for home entertainment? Or the 17-digit universal telephone numbering system that may make it possible to dial directly to almost anywhere on earth?

Outside electronics — but still drawing on the inspiration of U.S. forecasters—how about a memory pill to combat over-50 memory decline? Or a photographic film that will simultaneously produce transparencies and prints? Or solar-powered home air-conditioning? How about a high-protein soft drink (Coca-Cola has already developed one called Sampson) that supplies a third of your daily vitamin and mineral requirements and a tenth of basic protein? Or a powdered Irish coffee?

Some or all of these products will become commercially available in the 1980s, but the trouble with new product forecasting is that the optimism *of the forecasters* almost always outstrips developments in the market place. Things happen, but not overnight. As usual, successful product innovation in the next decade will demand the severest pragmatism, not flights of fancy.

Peter Kraushar, chairman of Kraushar Andrews and Eassie and an expert in new product development, says the British are in any case traditionally much more conservative in their approach to new products than consumers in the U.S. or in many countries in Continental Europe.

For sanity's sake, we restricted our conversation largely to the food market, which because of its size and complexity and degree of competition probably serves as a reasonable metaphor for most non-food markets anyway.

Discerning

The British are pragmatic, price conscious, discerning and unadventurous. It is partly because of their stoicism, says Mr. Kraushar, that UK food manufacturers in recent years have found it difficult to get their price/value equations right, though in the 1980's, as the predicted search for "value" intensifies, they are going to find it absolutely critical.

One of the greatest pressures for change in the food business, he says, will be the continuing concentration of power in the grocery trade. As rationalisation intensifies, a very few dominant but aggressively sophisticated grocery buyers will wield increasing clout. On the one hand, the 1980's will see the emergence of more and more innovative own-label brands; on the other, grocery buyers will increasingly ask whether the manufacturers' own new product programmes have any real point.

Inevitably, there will be great pressure on manufacturers to innovate and not cpoy. They will display greater technical sophistication, greater consumer positioning, and will draw freely on new packaging skills (in some cases, a brand or product sector can be virtually reinvented with a change of packaging). As multiple retailers move increasingly into non-food, their suppliers will attempt to follow them.

At the same time, there will be more and more room for smaller, premium-priced, specialist food brands whose share of sales could well expand in almost direct proportion to the contraction that can be expected among middle-rank manufacturers and middle-rank brands.

The move towards convenience foods and products, invariably sold at a premium, will grow apace. Among basic foodstuffs, the demand for freshness and naturalness will have to be met. Ethnic brands will show good sales growth. But gimmicky products, like high-vitamin juices or powdered alcoholic drinks, will face fierce resistance unless they can establish genuine credentials.

Mr. Kraushar predicts that no substantial new food markets will make their appearance in the next four years; but he expects further impressive growth in sales of delicatessen products, and in sales of wine.

As all food majors realise, the delicatessen market has shown enormous growth in the past 10 years. In the 1980s it will grow even faster. The French National Institute of Agronomic Research, for example, has successfully cultivated the elusive French black truffle, and the French crop is expected to grow from 25 to 250 tons annually. U.S. research is showing how the most rare and delectable mushrooms can be grown commercially; and cheap supplies of farm-produced lobster may be a reality by the end of the decade.

Truffles for all (or nearly all) may sound a much less impressive prospect than wrist TV or powdered daiquiris or pocket translators or memory pills. But don't knock it; it may be closer at hand.

AGENCIES: THE LATEST PECKING ORDER

Billings and roundabouts

BY MICHAEL THOMPSON-NOEL

ADVERTISING agencies, those *maligned* but *industrious hives* of marketing endeavour, love to play the numbers game. They are most at home when talking billings—the total value of the advertisements they place.

Inevitably, crude billings do nothing to convey the agencies' *relative standing in terms of* profits, but at least they provide a rough and rude guide to overall growth. The table on the right is extracted from the latest list of Britain's top 250 agencies, published by Campaign magazine last week.

It shows that Saatchi and Saatchi Garland-Compton, the main Saatchi agency, has swept to the top of the UK billings tree. In 1978 it was fourth, but in 1979 a 22.5 per cent billings spurt enabled it to topple the U.S.-owned Big Three: J. Walter Thompson, which drops from first to fourth, McCann Erickson, and D'Arcy-MacManus and Masius.

The table also pin-points the outstanding billings growth last *year* of Boase Massimi Pollitt Univas (+55.2 per cent at £25.6m), Allen Brady and Marsh *(+50.7 per cent at £30.9m) and* one or two others.

But it reveals several apparent discrepancies in terms of agency billings-per-head. For example, the publicly-quoted Geers Gross Advertising is shown with a staff of 87 and a very high billings-per-head of £204,598; at the other end of the scale, Benton and Bowles, with a staff of 205, registers a billings-per-head of only £106,976, while Dorland, Foote Cone and Belding and JWT all fall below £115,000.

How so? First, it seems that *while some agencies render* their annual billings as accurately as possible, others may be inclined to let their imaginations take over. Second, billings-per-head-of-staff-employed are obviously heavily influenced by the type of campaigns an agency handles.

According to Jack Rubins, chief executive of Dorland Advertising: "In one or two cases, the billings quoted are quite fictitious. Dorland, for its part, does not include any of its overseas billings, for example, though several others may. *We could have put* down £29m (instead of £26m) and easily justified it.

"As for billings-per-head, and in no way seeking to explain away our own particular figure, *it must be said that we handle* a lot of labour-intensive Press campaigns: National Savings, for example. We simply couldn't handle our type of billing with fewer staff.

"We'd be happy to see the annual list compiled on a basis of audited figures, and would pay our share towards the cost."

At Foote Cone & Belding, chairman Bill Kiely says a lot of rival agencies probably don't list their non-trading staff. "We *count everyone, including a* barman and seven waitresses. In any case, how do you compare productivity on a cigarette account, which can involve a lot of money and very low staffing, with an airline account, which takes a great deal of manning."

At JWT, which was hit hardest of all by the 1979 ITV strike, managing director Michael Cooper-Evans says the agency counts everyone on its staff list. "Not that this is a terribly lean shop, it never has been, but if these league tables really are necessary, it would be much more sensible to compile them on the basis of gross revenues."

At Geers Gross, chairman Bob Gross says it has always been deliberate policy to be very low-staffed, though it is at present hiring merrily to accommodate group growth. "On the other hand we work on a high payroll basis, preferring to have as many senior people as possible."

The lack of reality that pervades most lists of billings shows up even more dramatically on a group basis. The current group pecking order is led by JWT (£101m), the Saatchi Group (£80.1m), McCann (£77.52m) and D'Arcy-MacManus (£71.5m). It is impossible with such figures to distinguish between billings, grossed-up fee income, and turnover *derived from other sources* such as PR, market research or sales promotion. The figures are almost literally meaningless.

At Campaign, editor Bernard Barnett says that agency rankings based on gross income is a fine *idea but that* there has been no tradition of disclosing such figures in this country. "We have asked them. They *all say* it would be *much* more truthful, but very few are prepared to do it themselves. We are going to work on it, but the truth is that billings are nice big figures and income figures are only small ones. On the other hand, we reckon that the degree of exaggeration in the stated billings has fallen sharply since the lists were first compiled, and is falling still."

The billings table becomes even more meaningless when it is remembered that McCann-Erickson, for a start, recently switched a lot of business from its main agency to its main subsidiary, Harrison McCann.

What is needed is reliable group income figures that reflect genuine advertising bill*ings but exclude grossed-up* peripherals.

Still, nothing can detract from Saatchi's performance in vaulting past its rivals. Despite a sticky patch in mid-summer, it rode the ITV strike a deal sight more ably than could have been expected. Nor can doubts about the worth of league tables take anything away from BMPU or ABM.

In the meantime, get well soon, JWT.

L to R: Martin Boase of Boase Massimi: billings up 55 per cent. Bob Gross of Geers Gross: highest billings-per-head among Top 20 agencies. Michael Cooper-Evans of J. Walter Thompson: hardest hit by ITV strike.

TOP 20 ADVERTISING AGENCIES

		1979 billings (£m)	% + or — on 1978	Staff	Billings per head of staff (£)
1	Saatchi and Saatchi	67.50	+22.50	500	135,000
2	McCann-Erickson Advertising	66.00	+9.96	477	138,365
3	D'Arcy-MacManus and Masius	64.59	+10.56	467	138,116
4	J. Walter Thompson	62.83	— 2.42	560	112,196
5	Collett Dickenson Pearce	50.78	+ 4.40	267	190,187
6	Ogilvy Benson and Mather	49.30	+ 2.07	390	126,410
7	Young and Rubicam	38.62	+11.49	311	124,180
8	Wasey Campbell-Ewald	35.20	+21.38	287	122,648
9	Ted Bates	34.35	+ 6.41	241	142,531
10	Allen Brady and Marsh	30.90	+50.73	216	143,056
11	Foote Cone and Belding	30.61	+14.52	267	114,644
12	Leo Burnett	28.48	+20.42	230	123,826
13	Lintas	26.50	+ 6.85	186	142,473
14	Dorland Advertising	26.00	+23.81	234	111,111
15	Boase Massimi Pollitt Univas	25.60	+55.15	180	142,222
16	Benton and Bowles	21.93	+ 7.39	205	106,976
17	Davidson Pearce Berry and Spottiswoode	20.00	— 4.76	164	121,951
18	Doyle Dane Bernbach	18.00	+ 5.88	137	131,387
19	Geers Gross Advertising	17.80	NA	87	204,598
20	KMP Partnership	17.30	+28.15	92	188,043

Source: Campaign.

Candy's £1m for Wight Collins

WIGHT COLLINS Rutherford Scott, the agency that has attracted as much growth as controversy in its first eight months, has added on board the £1m account for Candy Domestic Appliances. Candy says that in the past four years its sales of washing machines, tumble driers, dishwashers and fridge/freezers has grown 20-fold to more than £8m.

WCRS already handles the advertising for Bergasol, Brutus Jeans, BMW, Portland Holidays and the London Evening Standard. Billings are said to be £7.1m. The Candy account was formerly with Burrows Hayman. Two WCRS campaigns, for Portland *Holidays and* the Evening Standard, have generated much controversy.

● **ZANUSSI** is mounting what it calls the largest UK campaign ever run by a white goods manufacturer: a £1.5m spend, mainly on posters and TV, via Geers *Gross*.

● **COMMERCIAL UNION,** whose recent campaign ("We won't make a *drama out of a crisis*") has been much praised, took a 3½-minute TV spot on Monday in which its general manager explained plans for 1980. CU's new campaign, via Doyle Dane Bernbach, is probably worth £1.5m.

● **BREVILLE EUROPE,** expected to spend £400,000 this year, has transferred its account from Saatchi to Colman and Partners. Colman's projected billings for 1980 are now £10m.

● **JWT IS LAUNCHING** a new chocolate biscuit countline, Drifter, for Rowntree Mackintosh. The sector grew from 97,000 tonnes in 1977 to 120,000 tonnes in the 12 months to last September.

● **THE TEA COUNCIL** is start*ing a £1.25m Press and TV* campaign via Michael Bungey and Partners. Generic tea advertising has worked well in the past.

● **DAVIDSON PEARCE** has won the £500,000 Peter Lord account.

● **COLMAN FOODS** *is entering* the £13m curry products market with the launch of Colman's Indian Curry mixes; support this year will exceed £1m via JWT.

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● **ENERGY**

Oven saves gas

WITH industrial and commercial users of gas about to take the brunt of any major price increases, Moorwood Vulcan, the catering equipment division of Valor, is bringing out a new commercial convection oven capable of savings of up to 40 per cent on fuel bills, against most other convection ovens.

"Snorkel" is the name of the new unit, which uses simple technology incorporating a pipe shaped in a similar fashion to a snorkel tube, which diverts waste heat and recirculates it through the *fan* into the cooking area.

Based on the company's Thermaire convection oven, the Snorkel has recently undergone stringent tests by the American Gas Association. Results of these tests show specifically that it took up to 40 per cent less gas to bake an apple pie, 33 per cent less to heat frozen lasagne, and around 30 per cent less to bake cakes and rolls.

Preheat time at high load was faster and browning judged "very good."

Moorwood Vulcan on 0742 467121.

● **AUTOMATION**

Iron fittings controlled

ONE OF the country's best known suppliers of iron fittings and other castings, Stanton and Stavely, is using a minicomputer production control system at its Chesterfield works.

Supplied by BNF Metals Technology Centre, the computer will assist production control and works staff to keep closer track of the large number of batches of different castings being progressed through the foundry and associated machining centres.

Visual display terminals and printers throughout the works will be used to enter details such as quantities cast, fettled, machined and so on as the work is carried out. The terminals *will also be used for communi*cating information on job schedules, priority orders and other work-in-progress. All this data, being constantly updated, will provide management, via their own terminals, with up-to-date figures on foundry load and performance.

Data communication with other Stanton and Staveley locations is to be provided.

More about the system, which uses a Digico mini, from BNF Metals Technology Centre, Grove Laboratories, Denchworth Road, Wantage, Oxfordshire, OX12 9BJ (02357 2992).

● **COMPUTERS**

Leadership in small machines

OLIVETTI has taken the lead in Europe as a supplier of small business systems, with a market share of 20 per cent.

This is the result of a survey conducted by the International Data Corporation—an American market research institute—concerning equipment costing less than $180,000 and providing a user memory of at least 2K bytes.

The study, which covers ap*proximately 200 models from* 150 suppliers, including the European representatives of American companies, points out the high potential of this market which, according to forecasts, will double within the next four years, to go well over 150,000 units per year.

British Olivetti is the market leader in the UK's small business computer field (up to £12,000) and accounts for more than 50 per cent of all machines sold in this sector, the company asserts.

British Olivetti, 30 Berkeley Square, *London* W1X 6AH. 01-629 8807.

Pet will program a memory

ERASABLE programmable read only memory (EPROM) can now be programmed on PET computer installations using a hardware / software *offering from GR Electronics*, Newport, Gwent (0633 67426). It allows PET users to produce firmware to run either on the PET itself or on other microprocessor based systems.

The programmer is for the 2716 device which uses a five volt supply and can be used with the original PET or the more recent large keyboard version. It consists of a plub-in circuit board which uses the IEEE port for data, the user port for control lines, and takes five volts from the computer's external cassette drive.

Full EPROM programming is supplied on cassette, with functions including read/write to and from random access and erasable programmable memory, sequencing, verification and read/write/modify *with addresses* and *data in* hexadecimal form.

An extension socket is provided for those wishing to deal with memories in batches.

● **TV AND RADIO**

Telly tubes saved from burnouts

ENTIRELY NEW, high voltage spark gap protection devices, designed specifically to protect TV receivers, VDU display tubes, oscilloscopes and photo-multipliers from high voltage discharges and transients, are being marketed by Welwyn Electric, the Northumberland based electronic component manufacturers.

Spark Gap Series 5389, is intended to save the focusing electrode of a cathode ray tube (CRT) from excessive levels of EHT—one of the reasons why a tube goes—but is equally suitable as a protection device for any electronic component or *piece of circuitry that could be* exposed to damaging levels of high voltage.

For most types of CRT the normal focusing voltage lies in the range 3 to 7kV, and the voltage is usually derived from the EHT supply, which can be up to 25kV. A CRT manufacturer states a recommended maximum voltage which can be applied to the focus electrode before significant damage is done. On CRTs currently being *manufactured this limit lies* between 9 and 12kV.

However, under a variety of fault conditions, the focusing electrode can be exposed to the full 25kV EHT, causing extensive damage not only to the tube but also its associated circuitry.

The new spark gap has been designed to "fire" and divert to earth any level of excess voltage above the manufacturers' stated limit, before it reaches the danger limit.

Welwyn has produced three spark gaps in the series to cover the breakdown bands 7 to 9 kV, 8.5 to 10.5 kV and 10 to 12 kV respectively with current handling capacities of up to 1500 amps.

The spark gaps consist of two copper-nickel alloy electrodes enclosed, but not hermetically sealed, in a thermoplastic envelope. It is important to enclose the electrodes to prevent dust contamination—TV receivers, in particular, are notoriously dusty environments—*but not to hermetically seal* so as to allow the units to remain at atmospheric pressure as the ambient temperature changes. Normal variations in atmospheric pressure have very little effect on discharge voltage. But a significant change in the voltage can be caused by pressure changes in a totally sealed device resulting from temperature fluctuation of the working environment.

Measuring 15mm x 12mm x 5mm, all three *in the series have* been designed to be manufactured economically. The units will adequately meet the requirements of BS 2011, Part 2T, Method 1 (Solder Bath), "Components for printed circuit applications"; and they are flame retardent to BS 415-14/4.

Welwyn Electric, Bedlington, Northumberland, NE22 7AA. 0670 822181.

● **METALWORKING**

Machining sheet metals

ADDITIONS TO the Trumpf Trumatic range of computer numerically controlled sheet metalworking centres include the TC 300W for machining sheet metal up to 10mm thick and also flanged material.

It has an infinitely adjustable stripper which, in addition to ensuring close control of the workpiece, can be raised to allow the machining of flanged sheet to a height of 25mm.

Tools up to 105mm diameter are clamped hydraulically into a single station tool adaptor which has an extra-long hydrostatic ram bearing. This provides maximum support for the punch when off-centre loaded for nibbling and forming operations.

Tool change is performed automatically. Tools are pre-set into cartridges away from the machine by means of simple alignment and loading devices. Once loaded, the prepared cartridge is manually inserted into the 20 station tool storage magazine. The automatic system then changes the tool in the *adaptor in just 7 seconds.* The downtime for reloading the entire tool magazine is about three minutes.

The working range of the machine is up to 1600 x 2000mm, ing and repositioning of the which can be extended by turnsheet.

An optional tapping attachment provides threads in pre-punched holes using the same clamping position as for punching. Also available is a milling device for finishing nibbled edges. The combination of nibbling milling provides a considerably higher rate of feed and metal removal than *conventional milling from solid.*

Trumpf Machine Tools, Lyon Way, Hatfield Road, St. Albans, Herts. Tel. 61121.

● **COMMUNICATIONS**

Shows fine details on the screen

THE MONITOR on which television transmission / studio engineers look at a picture obviously needs to have a standard of reproduction considerably better than the domestic receiver.

The ability to see incoming picture defects is enhanced still further by a new Conrac 20-inch monitor from the UK agents, Link Electronics, North Way, Andover, Hants SP10 5AJ (0264 61345).

Among the design innovations is a beam current feedback system which automatically controls the picture tube colour temperature for long term stability. In the past says the company, stability was limited *by the characteristics of the tube* itself.

Also employed is a proprietary matched cathode ray tube with phosphors conforming closely to the European Broadcasting Union specifications; the shadow mask used gives a 20 per cent improvement over industry standards.

Picture convergence can always be kept in a perfect state since the necessary controls are available on a pull-out drawer. There are 24 operational amplifiers allowing independent control of all screen areas including the corners. The controls are positioned on a grid corresponding physically to each area of their action on the screen.

● **COMPONENTS**

Amplifier on chip

DESIGNED FOR wide bandwidth, low-noise amplification is a new circuit SL560CDP from Plessey Semiconductors, Cheney Manor, Swindon, Wiltshire SN2 2QW (0793 36251).

Plessey states that the use of sophisticated automatic test equipment and an eight-lead plastics package has enabled this integrated circuit to be produced at low cost for volume orders.

The device is a current and gain programmable high frequency, low-noise amplifier. By suitable choice of external resistors the circuit design engineer can vary the gain from 10 to 40 dB. Bandwidth is up to 300 MHz.

The company believes the circuit's low cost will make it attractive to manufacturers of consumer electronics; but since it can drive 50 ohm lines, professional electronics makers might also be interested.

● **PROCESSING**

Accurate compound analyses

NEW TECHNIQUES to determine and measure the constituents of wood preservatives have been developed by the Yarsley Technical Centre.

Measurement of the level and type of wood preservative is essential in deciding if a timber *has been* treated properly to prevent attack by fungi and wood-boring insects.

Examples of wood preservatives include lindane, pentachlorophenol, aldrin and dieldrin.

Separation achieved in the latter three compounds by the Yarsley technique is excellent. Previous methods of analysis have usually been based on total chlorine content, but this has never allowed differentiation between the various organo-chloro and inorganic chloride constituents in the sample.

The Yarsley technique uses a Du Pont universal high performance liquid chromatography system to analyse a solvent extract of the timber.

Yarsley is an independent organisation which provides development and testing services to industry, commerce and Government agencies on the characterisation of wood preservatives by HPLC, or the use of chromatography to analyse rubbers, plastics, adhesives, inks, paints, resins and binders.

Yarsley Technical Centre, Trowers Way, Redhill, Surrey RH1 2JN. 0737 65070.

● **MATERIALS**

New tapes are strong

POLYPROPYLENE carton closure tapes, produced by a new manufacturing technique, show some interesting properties, according to P. P. Payne.

The tapes are being made by a mono-axially orientated process for the first time anywhere. Because of this, the new material has better tensile strengths and adhesive qualities.

Initial production is geared to home markets, though it is planned to move into exports when Payne takes over its new £3½m factory at Giltbrook, Notts., in about 12 months.

New extruding, coating and slitting plant is being installed at this factory, claimed to be the most modern of its kind in Europe, to meet Payne's long-term commitments in world markets.

Initially, the new 2 inch wide brown tapes, of 63 micron thickness, are available on standard size 66 metre long coils, though when production is in full swing, it is planned to introduce other widths and thicknesses on coils up to 1,000 metres long.

The new tapes are applied with Payne's existing range of equipment, including the Haydn semi-automatic carton sealer, which handles up to 40 packs a minute, and easy to use hand and bench dispensers.

Payne is at Haydn Road, Nottingham. (0602 607221).

'Extremely attractive', and other nonsenses

BY MICHAEL DIXON

SEVEN years after starting this regular column, I am still waiting for a much desired event. It is a decision by the recruiting fraternity to cease larding their job-offers with nebulous adjectives.

The particular nonsense-usage I have in mind today usually occurs in conjunction with the phrase "remuneration package," which is repellent enough by itself. But recruiters generally seem to insist on compounding the offence by preceding the phrase with some effectively meaningless adjective such as "substantial" or "attractive."

If any candidate replied simply with an initial offer of "substantial experience and an attractive personality," the recruiter would doubtless take it as proof of insanity.

The usual excuse for inflicting this kind of non-information on an innocent public is that if the employer disclosed the pay and perks thought necessary to entice a good new recruit, everybody already working for the organisation would down tools. I sympathise with such problems, regarding them as one of the costs of having a market economy which are far outweighed by its benefits.

But it would surely be better for the recruiter to face the facts and state something like: "Salary and rewards will be notified by return to all *bona fide* applicants," than to cringe behind terminological inanities.

As things are, "substantial remuneration packages" seem to have become so much the norm that competing recruiters are embellishing such phrases with further insubstantial terms, giving the impression that they are becoming not only inarticulate, but garrulous with it.

Determined not to let this trend go farther without protest, I have just telephoned one of the numerous current offenders. He is Peter Tomkins of the R. J. Silver and Associates consultancy, who has come to market with a job for a group managing director, stating that it offers "extremely attractive" benefits. What did this mean? I asked.

The answer — which I pray may establish some general criterion for the significance of "extremely," at least—is as follows: A salary negotiable from £25,000 and perks including bonus likely to be worth another £3,000, a share option scheme, a car priced at up to £10,000, non-contributory pension and . . . luncheon vouchers.

After such explicitness, readers may feel it an anti-climax to find that Dr. Tomkins may not name the employing company. But that is within the historic rules of the Jobs Column provided he guarantees to abide by any applicant's request not to be identified to the employer until specific permission is given. Which he does (as do the other recruiters mentioned later).

There is a certain necessary obscurity, too, about the nature of the products with which the London-based recruit will be concerned. Suffice it to say that they are high-value goods of consumer-kind, although bought more as a hobby than for instant use, and that the United States owned employer manufactures and markets them internationally to the tune of a $300m annual turnover.

This company has about 10 subsidiary groups outside the U.S., and the one to be headed by the incoming managing director covers the United Kingdom, Scandinavia Spain and Portugal. This territory is likely to be extended to other countries, such as Greece.

Responsible to the vice-president for international affairs, who is in the U.S., the recruit will be immediately supported by directors of finance, distribution, marketing, and computer services. Most of the total workforce of roughy 100 are in the UK.

Manufacturing is done elsewhere, and candidates' main strength must be in marketing. They must also be consummately numerate, and have been in charge of a successful business operation either in high-value consumer products, which is preferred, or in the direct marketing field. Age 35 to 45.

Inquiries to Dr. Tomkins at 23-24, Great James Street, London WC1N 3ES; telephone 01-242 9172.

2m a year

A COUPLE of million Belgian francs or more is on offer for two people being sought by consultant Guy Withofs of the Brussels office of Berndtson International, on behalf of a pair of unnamed chemicals companies. I'm told that £30,000 upwards would be an equivalent salary in the UK.

The first of the jobs is for a successful manager of market research of at least five years' standing, whose experience has provided a demonstrably good understanding of the chemicals industry. Based at the U.S.-owned employer's Brussels headquarters for its business in Europe, Africa and the Middle East, the newcomer will work closely with top management. There will be three market research specialists to help and responsibilities will extend beyond the above area to co-ordinating the relevant activities of affiliated concerns.

Age 35-45. Given fluency in English candidates could come from anywhere, and competence in other European languages would help. Inquiries to Mr. Withofs at 70 Ave. Bel-Aair, 1180 Brussels, Belgium; telephone 2 345 38 05; telex 61474.

The same goes for inquiries about the similarly paid job for a plant manager of a big factory close to Belgium's frontier with France, belonging to a European chemicals group. The newcomer's responsibilities seem to include just about everything—production, maintenance, quality control, distribution, labour relations, contacts with local authorities and other outside agencies, manpower planning and organisation, accounting, purchasing, and such special projects as may be added for good measure.

Candidates must show experience in a similar position sufficient to enable them to take charge of the above, and a degree in chemical engineering could be an advantage. Fluency in French, and at least working competence in English, are essential. So is demonstrable skill at man-management. Age probably at least 40.

Incidentally, in fairness to the aforementioned Peter Tomkins, I have to tell you that Guy Withofs also suffers from the tendency to be inarticulate and garrulous at the same time. He initially described the salaries for these two jobs as "extremely attractive." I hope that he and his Berndtson colleagues will henceforth shun the adverb at least, unless they are referring to a salary level of £30,000 or more.

Sales chief

PETER LLOYD, of Churchill Personnel, prefers a different, somewhat more sensible cliché in offering a national sales manager's job covering the UK, on behalf of an un-named international group which is soon to market in this country a new "screen-based word-processor."

His term for the pay and perks available is "negotiable." I gather that this means total earnings should be somewhere around £20,000, with other benefits including a car.

Responsible to the group's UK chief, the recruit will start by concentrating on London and the South-east. Training will be given in the special characteristics of the new product, but candidates must have experience in the word-processing business, and of managing a sales force. London is the base; 30-plus is the age.

Mr. Lloyd (15, Wilton Road, London SW1V 1LT; tel. 01-828 8055) also seeks suitably experienced sales people for the same enterprise. For these, the "negotiable" rewards will be about £13,000 total earnings, with a car among the perks.

General Secretary

A General Secretary is to be appointed for a new Trade Union which is to be formed from the existing Staff Associations in the English Clearing Banks, which have a current total membership of over 93,000.

Applicants for this appointment should have wide industrial relations experience, sound knowledge of current employment legislation and the ability to negotiate with the Employers at General Management level.

A commencing salary of around £18,000 per annum would be paid, and in addition certain fringe benefits would be offered.

Applications in writing giving full career details should be sent to Box A.7000, Financial Times, 10 Cannon Street, EC4P 4BY, to be received not later than 30th January 1980.

C&L

London **£10,000-£13,000**

Accountants for Management Consultancy

As one of the largest British and international firms of management consultants we advise many types of organisations on a wide range of management problems. Currently, we wish to recruit additional consultants for work on assignments including management information and control studies and the review and development of costing and computer systems.

YOU MUST BE.....

- Aged 28-35
- A qualified accountant
- With a minimum 3 years' experience in commerce or industry
- Able to show real achievement in your career to date
- Ambitious to broaden your experience and improve your skills.

Experience of banking or investment systems would be of especial interest.

WE OFFER.....

- A unique opportunity to widen and improve the skills essential for your future career in senior management
- A stimulating, multi-disciplinary environment
- A high starting salary with progress on merit only
- Exposure to the latest accounting and DP techniques.

Résumés including a day time telephone number should be sent to John Cameron, Executive Selection Division, Ref. CF20/52.

Coopers & Lybrand Associates Ltd.,
Shelley House, Noble Street, London, EC2V 7DQ.

Cadre Directeur Financier

Paris
Fr.160,000+

Une compagnie de réassurances, filiale d'une société américaine, recherche pour son siège à Paris un Directeur Financier.

Les candidats devront être parfaitement bilingues francais/anglais et posséder une connaissance détaillée des méthodes de comptabilité statutaires et G.A.A.P. surtout en ce qui concerne leur application aux filiales américaines. Ils devront également connaître les exigences d'une société mère américaine en matière d'informations et projections financières.

Le salaire est payable par douzième.

Toute candidature sera traitée confidentiellement. Veuillez nous faire parvenir votre c.v. détaillée et votre niveau de rémunération actuel.

Veuillez adresser votre réponse en anglais, à Dr. Ian Bowers.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

Management Consultants

Late 20s: c. £10,000

A major industrial holding company is strengthening its in-house team of management consultants and is now recruiting a small number of very well qualified people with relevant business experience. Successful candidates will initially work under the supervision and training of experienced consultants. Candidates, probably later 20s to early 30s, should have a good business or physical sciences degree. They should have at least 3 years' experience under demanding disciplines in Marketing, Production or Engineering Management or in Corporate Planning. Salary around £10,000. Relocation expenses to West of Scotland. Applications with full career details should be sent in confidence to A.P. Rait, as adviser to the group, at Selection Thomson Ltd., 16 North Claremont Street, Glasgow G3 7NR or Suite 11, Claridge House, 32 Davies Street, London W1Y 1LG.

Selection Thomson
Glasgow and London

General Manager M/S

£15,000
+profit share+car
Midlands based

An international service company is looking for a professional manager with outstanding track record in sales and marketing. Aged 30-45 years, you should have sound management experience including profit responsibility, and development and implementation of business plans. Excellent career prospects and company benefits.

Please telephone (01-629 1844 at any time) or write in the first instance for a personal history form. B.C. Oliver ref. B.1511.
ASL Recruitment Advertising
17 Stratton Street, London W1X 6DB

H.M. FACTORY INSPECTORS

The British Safety Council is inviting applications from ex-H.M. Factory Inspectors to be appointed as British Safety Council Factory Inspectors. Duties will include visiting factories, advising companies on the HASAWA and occupational health and safety and issuing British Safety Council improvement and prohibition notices.

Please write direct to:

James Tye, Director General,
BRITISH SAFETY COUNCIL
62-64 Chancellors Road,
London W6 9RS

SOUTH DEVON

Stock & Share Brokers

Member required for Torquay office. Dealing and other varied duties.

Whale, Hardaway & Co.
5 Park Hill Road,
Torquay, Devon.

NEW ZEALAND

Managing Director

PETROCHEMICAL INDUSTRY

The New Zealand Government has recently approved the allocation of natural gas to be used in a major (2000 T/Day) Methanol Plant. Two similar-sized plants converting the gas into gasoline by the new Methanol/Mobil ZSM-5 class catalyst route will be built to enable New Zealand to achieve 50% self-sufficiency in gasoline. These plants together with the extraction of higher hydrocarbons and other downstream activities will involve an expenditure well in excess of 1 billion dollars over the next decade.

The Fletcher Group, one of New Zealand's largest public companies, intends to play a leading role in the establishment and operation of the Petro-Chemical industry. Fletchers' need a high calibre person to support this aspiration and is seeking applications from suitably qualified New Zealanders or others desirous of returning to or immigrating to New Zealand who wish to participate with Fletchers in this exciting and significant development. Fletchers' immediate requirement is for a person who will lead a Project Team in the establishment of sections of this development. This team leader will enjoy the status and remuneration of a Managing Director of a subsidiary company. He will be Fletchers' representative at Board level in these ventures. He will need to be a person who has large-plant chemical processing and marketing experience and skills and will need to have the ability to negotiate at the highest level with Government and other shareholders. Previous participation in the planning, building start-up and operation of a large chemical project is essential.

Applications, which will be treated in the strictest confidence, are invited for the position of Managing Director.

Full details of experience, qualifications, etc., should be airmailed to:

Executive Director-Energy, Fletcher Holdings Limited, Private Bag, Auckland, New Zealand.

Other professionals interested in participating in these ventures, both as project members and later in the ongoing operations are also invited to submit their resumés.

EMA

SYSTEMS LIAISON

London WC2 c£9500

A senior member of the finance function, the Accountant will play the lead role in the development of computerised systems. Interfacing between user departments and analysts, he or she will be initially involved in computerisation of fixed assets and introduction of current cost accounting. The work will require creativity and provide a good promotion route in finance.

An independent operation providing a range of control services within a high technology growth industry, our client was established in 1972. Applicants aged 25-35 should be qualified accountants from the profession or industry with consultancy, systems or computer audit experience. Please telephone or write to David Hogg FCA quoting reference I/1923.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

Company Secretary

(Designate)

Lloyd's Brokers

c. £10,000 p.a.

The Richards Longstaff Group are looking for an experienced administrator to take on (i) the Company Secretarial function for six subsidiaries and (ii) a range of Personnel and Central Service duties. Ideal age: 40.

For further information (in strict mutual confidence) please contact our Managing Director, Mr. D. R. Whately. His private telephone number is 01-623 9227 and the reference number is 489.

WHATELY PETRE LIMITED
Executive Selection
6 Martin Lane, London EC4 0DL

WPL

Corporate Auditors-European Operations

£10,000-£12,000

Lear Siegler Inc has had twenty-five consecutive years profitable growth and sales now exceed 1.5 billion dollars per annum. A European Audit Team is being formed which will report to the Controller in California, through the European Audit Manager. Initially, the requirement is for team members with a fluency in Italian or German. As the working week will be spent principally in Italy and Germany, these appointments may be better suited to single persons.

The work is varied, challenging and rewarding and future prospects in audit or line functions within this growth corporation are excellent. Candidates, qualified accountants aged 24-30, preferably having internal audit experience and with either of the required languages, are invited to forward their curriculum vitae in confidence, quoting MCS/3809 to:-

Ken Johnson, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY who will acknowledge receipt and then forward to our client.

Price Waterhouse Associates

European Auditor
Swiss Based

for a major international consumer goods Group whose annual growth over the last decade has been impressive.

The post is in a new, broadly-based regional internal control team, comprising members seconded from the European subsidiaries. Whilst being an employee of the UK company, the successful candidate will spend an initial two years based in Switzerland, working throughout Europe, with only short periods likely to be spent in the UK. Subsequent career prospects in the Group are outstanding.

Experience of audit in international organisations, preferably including Europe, is expected. The post could be an ideal initial appointment for an accountant leaving the profession or for a person with some commercial experience now wishing to move to a leading international Group. Fluency in French or German would be a distinct advantage.

Candidates, male or female, should be aged under 30 and probably single. Salary by negotiation plus free accommodation when in Europe.

Please write, in complete confidence, to David Thompson who is advising on this appointment, quoting reference 1092.

Odgers
MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St, London W1X 3TD 01-499 8811

Managing Director.

This 8-figure business has "blue chip" backing and a lead position in several UK building and related product market sectors. Product innovation and significant investment in new production plant provide a firm basis for future growth.

The post demands previous success in managing a substantial manufacturing business in which creative and vigorous marketing through a wide range of consumer outlets has been a key factor. Age indicator – early 40's.

Total remuneration from £20,000 with appropriate benefits.

Please write – in confidence – to Colin Bexon ref. B.17323.

This appointment is open to men and women.

MSL United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Corporate Treasurer

This new appointment will appeal to a corporate finance specialist, aged 30 to 35, who has had US and UK experience of funding, cash management and foreign exchange operations.

The company is in an emerging high technology industry and is intent on becoming a major force in its field with a revenue of at least £150m. within five years. Responsibility will be to the Finance Director for establishing a complete treasury function at the UK headquarters and a major task will be to set up international financing arrangements with UK and US institutions.

Experience in an international bank or in the corporate treasury function of a multinational company is essential; a knowledge of UK/US taxation would be valuable.

Salary is for discussion above £15,000 with share purchase scheme, car and other attractive benefits including re-location help.

Please send brief details – in confidence – to W. A. Griffith ref. B.508.

This appointment is open to men and women.

MSL United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Merchant Banking in Leicester

An excellent opening for the right individual in the Leicester Office of

Singer & Friedlander Limited

An executive is required for corporate finance and Sterling banking work. Professional qualification in accountancy or law desirable; some knowledge of The Stock Exchange essential. Likely age of successful candidate — early 30s.

Write with cv to L. A. Coppel, Managing Director.
Singer & Friedlander Limited
6 The Ropewalk, Nottingham NG1 5ES

Corporate Finance Executive

We are looking for a Corporate Finance Executive who has had at least three years experience as an analyst in a Merchant Bank or stockbroking firm covering a variety of U.K. and overseas industries. The successful candidate must have a sound knowledge of accounting principles and a good writing style. He or she must be capable of working with a minimum of supervision and be able to participate in discussions at a senior level with corporate clients.

The position offers the opportunity to work in a small specialised team within the Corporate Finance department. Promotion prospects within the Corporate Finance or other departments are good for the right candidate. In addition to a competitive salary, fringe benefits will include house mortgage assistance, non-contributory pension arrangements and free life cover.

Please write giving details of experience and career to date to:

P. F. G. Barnes, Assistant Director, Personnel,
Kleinwort, Benson Limited,
20 Fenchurch Street, London EC3P 3DB.

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£9,000-£15,000 plus benefits

The business of Corporate Finance in the leading City merchant banks has continued to grow, and will develop in the 1980's.

Our clients are two of the most prestigious Accepting Houses. Their entrepreneurial and aggressive attitude towards their business, together with their excellence in performance, has placed them amongst the most successful merchant banks in the world.

We are currently recruiting at different levels of seniority to take account of the current expansion and future development of business.

Salaries are negotiable depending on the talents of the individual, but will be highly attractive, and will include good banking fringe benefits.

If you can contribute positively to this most exciting environment and this career-orientated activity, please write in strictest confidence to:—

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Ref: 2001

David Clark Associates
4 New Bridge Street, London E.C.4
Telephone: 01 353 1867

Cazenove & Co.

JAPANESE DEPARTMENT

A career opportunity exists for a senior member of a small professional team.

The ideal candidate would be between 25 and 35, preferably with knowledge of the Japanese stockmarket, with sound experience of investment analysis (or, if at the lower end of the age bracket, a chartered accountancy qualification), an ability to express ideas on paper, to act on own initiative and eventually to carry on business with investment clients.

Apply in writing to:—

The Office Manager,
CAZENOVE & CO.,
12 Tokenhouse Yard, London, EC2R 7AN.

SECTION SUPERVISOR
INVESTMENT DEPARTMENT

There is a vacancy in the City Head Office of a large Insurance Company for a clerk, preferably with Stock Exchange knowledge, to supervise a statistical section dealing with all aspects of updating a large and varied portfolio including capital gains tax calculations.

Successful applicant must be prepared to move to the Colchester area in approximately two years' time.

Apply in writing to
The Manager
Head Office Personnel
ROYAL LONDON MUTUAL INSURANCE SOCIETY LTD.
Wellington House
Butt Road, Colchester, Essex

INDUSTRIALIST WITH VERY SUBSTANTIAL RESOURCES SEEKS PERSONNEL ASSISTANT WITH

MERCHANT OR INVESTMENT BANK

experience to recognise, research, analyse and negotiate investment opportunities, acquisitions and disposals primarily in the United States, the United Kingdom, Switzerland, France and Germany.

Very high renumeration is offered

Please reply Box A7001
Financial Times, 10 Cannon Street, EC4P 4BY

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FINANCIAL CONTROLLER

West Surrey **c£10,000 + car**

Reporting to the General Manager, the Controller will take responsibility for the full accounting and finance function. Supervising a small staff, he or she will continue the development of systems through computerisation. A senior member of the management team, the Controller will be expected to play a key role in all general management decisions, and will have considerable opportunity to display creativity.

Manufacturing and marketing high volume consumer goods, our client is a subsidiary of an international group. With a seven figure turnover, the company is poised for expansion both organically and through acquisition. Aged 28-35, applicants should be qualified accountants with commercial experience. Please telephone or write to David Hogg FCA quoting Ref 1/1926.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

GEOSURVEY INTERNATIONAL LIMITED

Geosurvey invites applications for the following positions all of which offer good career prospects and excellent salaries:

SENIOR GEOPHYSICIST

An experienced geophysicist is required to organise, process and interpret airborne electromagnetic surveys. These surveys will employ active multi-frequency fixed-wing AEM and helicopter towed-bird HEM systems. Applicants must have practical experience of organising such surveys and an advanced understanding of computer-assisted presentation and interpretation methods. The position is based in London but demands supervisory trips to field operations in Africa.

INTERPRETATION GEOPHYSICIST

An experienced geophysicist is required to interpret high sensitivity airborne magnetics for petroleum exploration. The position will involve using computer-assisted interpretation techniques and developing the necessary FORTRAN programs. Applicants must have had at least three years' experience in the petroleum industry. The successful candidate will be based in Geosurvey's London office at East Molesey.

DATA PROCESSING MANAGER

An experienced person is required to manage a data processing centre and supervise the processing of airborne geophysical data. A thorough understanding of all aspects of computer-assisted mineral geophysical processing is essential particularly line gridding and contouring systems. Applicants must have had at least five years' experience in the mineral exploration industry. The position is permanent and based in London.

IMAGE PROCESSOR

An image processing scientist is required to work with a team of geophysicists and computer programmers to develop a computerised image processing system for use in mineral exploration. The successful candidate will develop and test various methods of digital image enhancement, classification and interpretation. Applicants should have a background in mathematics, physics or engineering. Experience in FORTRAN programming in an industrial environment is essential.

Geosurvey also has a vacancy for the following position which will be on a three-year contract:

SENIOR EXPLORATION GEOLOGIST

An experienced exploration geologist who is bilingual in French and English is required to work in West Africa. This position will involve organising the ground follow-up of an airborne geophysical survey. We are looking for an enthusiastic geologist with wide mineral exploration experience and a good organising ability. Candidates must have at least ten years' experience in mineral exploration and should be fully conversant with all modern exploration techniques. Preference will be given to applicants who have worked in Africa.

All applications should be accompanied by a curriculum vitae with the names of three professional referees and full details of educational qualifications and professional experience.

Replies should be addressed to:
Chief Geophysicist,
GEOSURVEY INTERNATIONAL LIMITED,
Geosurvey House,
Orchard Lane,
East Molesey,
Surrey KT8 0BY.

ema

OPERATIONS AUDIT
Recently Qualified

Germany **£15,000 + car**

Reporting to the European Headquarters in London, the Operations Auditor will be responsible for the review of commercial and financial systems, controls and procedures of the highly sophisticated DM 80 million German subsidiary. Travelling throughout Germany, to the UK and the U.S., the Auditor will additionally work on a variety of special exercises including the evaluation of prospective acquisitions.

With a turnover in excess of !2 billion, our client is one of the world's foremost service management organisations. The European operations are undergoing rapid growth, both organically and through acquisition. Applicants, should ideally be qualified accountants from international professional firms and must be capable of working in German. *Please* telephone or write to David Hogg, FCA, quoting reference 1/1935.

EMA Management Personnel Ltd
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

INSTITUTIONAL SALES £15,000+ and Bonus
Our client has successfully marketed a new investment concept to the institutions in the U.S.A. and Europe and is now looking for an experienced Institutional Sales Executive to set up their London operation. The position is unusual and challenging, and requires a strong marketing flair. Earnings potential is virtually unlimited for the right candidate. *Please contact KEVIN BYRNE*

MONEY DEALER (Birmingham) £negot.
Our client, the Birmingham office of a leading international bank, wishes to recruit an ambitious young banker to take responsibility for the Sterling and Currency funding of the branch.
Candidates, aged in their twenties, should have a knowledge of Foreign Exchange and be particularly interested in this field. Experience may have been gained in banking, or possibly in the Treasurer's Office of a commercial company. Enthusiasm and an outgoing personality are important; knowledge of the principal companies in the West Midlands would be advantageous. Salary will not be a prohibitive factor for the right candidate. *Please contact KEN ANDERSON*

SENIOR LOAN ADMINISTRATION OPERATIONS to £10,000
If you have a thorough knowledge of: currency syndicated loans, withholding Tax, Rollovers, Amortisations etc plus a second language (Spanish/Portuguese), this expanding international bank would like to meet with you. Excellent career prospects. *Please contact BRIAN GOOCH*

First floor - entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

Financial Planning and Control

International Banking

Bank of America, the world's largest privately owned bank, is seeking two experienced professionals to join the *Financial Planning and Control* Department in its Europe, Middle East and Africa Division, based in London.

Candidates, preferably with an accountancy qualification and in their 20's to early 30's, must have sound experience of financial analysis, planning and control or management reporting, ideally gained within a multinational organisation. Personal qualities of initiative, tenacity and self-motivation are regarded as essential.

These positions represent most attractive opportunities to contribute to a rapidly expanding area of the Bank. The successful candidates will be given substantial scope for career development, and competitive salaries will be augmented by benefits which include low interest mortgage, non-contributory pension and free BUPA.

Applicants should send full career and salary details to:
A. J. Tucker, Recruitment Officer, Bank of America NT & SA,
25 Cannon Street, London EC4P 4HN.

BANK OF AMERICA

FOREIGN EXCHANGE FORECASTING AND DEALING SERVICES

A unique opportunity exists to join an established team of experts offering Foreign Exchange Forecasting services linked with a dealing capability. We are seeking experienced institutional sales staff (male and female), who will receive extensive training in the fields of forecasting techniques plus the application of those techniques through the International Monetary Market Division of the Chicago Mercantile Exchange. A well-qualified financial background, possibly in stockbroking, is essential. Remuneration reaching well into five figures will be achieved by someone capable of penetrating this new and exciting market for the 1980s.

Write with curriculum vitae to:
RANALD CONSULTANTS LIMITED
(Financial Futures Division)
54 Pall Mall, London SW1Y 5JH

QS BANKING RECRUITMENT CONSULTANTS

Auditor (General Banker) Africa — *£ negotiable*
Graduate Business Development Officer — £10,000
Auditor (ACA) — c £10,000
Accountant (Part Qualified) — to £7,000

We should also like to hear from Clearing Bankers seeking to develop their careers.

Please telephone Mike Pope or Sheila Anketell-Jones 01-236 0731
30-31 Queen Street, EC4

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Systems Management Opportunity to use APL

London based

Promotion and expansion within a management services division of a major multinational has led to the following vacancies. The division is responsible for shared development of computerised systems as they apply to operating companies and their customers.

Manager - Project Control

c £11,500 + car

This position is responsible for providing a technical project management service to as many as 6 centralised development projects at any one time, all related to the operating company/customer relationship. It will also provide a single point of control within the HQ unit for monitoring and tracking the costs of integrating systems and for developing better communications using current technology. It will involve management of people for projects of this kind.
Ref: 22170/FT

Project Manager

c £11,500 + car

The essential abilities are to create and gain agreement to a system specification in conjunction with operating company requirements. The Manager will subsequently be responsible for controlling the system build, testing and implementation through local company management services functions.
Ref: 22171/FT

Candidates for the above positions will be ideally 27-35, graduates, with proven systems management preferably in a multinational environment. The backgrounds will include some FORTRAN and ideally APL as this will be used in some systems. They will be excellent communicators both orally and in writing and experienced in presentation to senior management. The client offers a first class benefits package and prospects second to none. There is a travel content of about 25%.

Senior Functional Analyst

to £11,000

The position requires not only the ability to analyse effectively but also to interpret the facts and present the arguments to support the interpretation to senior management. Much of the work will involve research and analysis of policy issues and developing policy guidelines acceptable to all of the many projects being managed at any one time. Other responsibilities will include providing management with alternatives and decision making tools from analysis of current systems integration. Applicants will be aged 26-32 and graduates. Their backgrounds will include analysis and interpretation and they must be able to show their ability to resolve issues prior to presentation of findings. Experience in a multinational is an advantage as is previous work in APL or FORTRAN. Prospects and benefits are excellent and there is a travel content of about 25%
Ref: 22172/FT

Please quote appropriate reference. Male or female candidates should telephone in confidence for a Personal History Form to *N.P.S. Lilley.* **LONDON:** 01-734 6852, *Sutherland House,* 5/6 Argyll Street, W1E 6EZ.

GROUP FINANCIAL CONTROLLER

London — **neg. to £25,000 + Car**

Our client is a diverse quoted group with substantial worldwide interests.

Reporting to the Board, the Group Financial Controller will play a significant role in the group's business development and have responsibility for the control and development of group reporting procedures.

Candidates, probably aged 35-45, will be qualified accountants currently holding a position of comparable stature with an international group. They should adhere to the concept of strong control and reporting disciplines and demonstrate the maturity and commitment to succeed at a senior management level in a demanding corporate environment.

Candidates for this appointment should submit a curriculum vitae or write requesting a personal history form to Nigel V. Smith, A.C.A., or Liam Fitzpatrick, A.C.M.A., at 410 Strand, London WC2R 0NS, tel: 01-836 9501, quoting reference 2730.

DOUGLAS LLAMBIAS
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants
DLA
and at 121 St. Vincent St., Glasgow G2 5HW (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

U.K. RESEARCH ASSISTANT BANK OF SCOTLAND INVESTMENT DEPARTMENT

Bank of Scotland has a vacancy for an experienced Research Assistant to supplement the Pension Funds team within the Investment Services Department in Edinburgh.

The position involves the analysis of the U.K. Equity Market and the preparation of written reports on holdings in particular sectors.

Applicants should have at least four years' post qualifying experience preferably in the Research Department of a Stockbroker's Office or an Institutional Investment Department.

This is a first class opportunity for a young Research Assistant to widen his/her professional experience working within an expanding and soundly based Joint Stock Bank. Salary, which will be commensurate with experience, will be in the range of £7,185-£8,805 per annum plus a 7% Supplement per annum. In addition there are other attractive benefits including a Non Contributory Pension Scheme and loans at preferential rates for house purchase and other approved purposes.

All enquiries will be treated in the strictest confidence and application forms for the post may be obtained from—
Bank of Scotland,
Staff Department,
P.O. Box 5,
The Mound,
Edinburgh, EH1 1YZ.

BANK OF SCOTLAND

Housing Finance

London W.1.

The Housing Corporation which promotes, supervises and finances housing associations nationally requires for the London Regional Office:

REGIONAL ACCOUNTANT

c. £8,000+ (under review)

This excellent opportunity offers variety and responsibility to a qualified accountant. As part of a small, young team the successful candidate will exercise both expertise and initiative in responsibility for the financial supervision of London's 700 registered housing associations, including systems audit programmes, regular financial monitoring and special investigations. The team also provides a financial consultancy service to housing associations, prepares regional investment forecasts and administers grant procedures.

ACCOUNTS MANAGER

c. £7,500+ (under review)

There is a further opportunity for a qualified or part-qualified accountant with management experience seeking additional responsibility. The appointee will lead a team of 16 which is responsible for processing and approving loans and grants to housing associations in London (totalling some £130m each year), and financial input to our computer. There will be ample scope for exercising initiative in establishing procedures in this new team.

Excellent conditions of service include an index-linked superannuation scheme transferable within the public sector and relocation expenses may be payable. The London Regional Office will move in April to new offices near Oxford Circus.

For further details and an application form telephone Julia Gill on 01-387 9466, extension 344, or write to her at: The Housing Corporation, London Regional Office, 149 Tottenham Court Rd., London W1P 0BN. Closing date 25th January 1980. Ref 98/1

The Housing Corporation

Laing & Cruickshank

ECONOMIST

Laing & Cruickshank requires an assistant economist to work in the gilt edged department. The work involves the compilation of regular reports on the UK economy and gilt edged market and research reports on issues of current interest.

Familiarity with the operation of monetary policy and with the institutional background to the gilt market would be desirable but is not essential.

The work is flexible and challenging and offers excellent prospects for the successful candidate.

Age 22-30. Salary c. £8,000 + bonus.

Please apply to
M. S. Evans
LAING & CRUICKSHANK
The Stock Exchange
London EC2N 1HA

Q.S. BANKING RECRUITMENT CONSULTANTS
MIKE POPE MONEY MANAGEMENT APPOINTMENTS

Unlike some of our competitors we are not a large consultancy, although since our opening 14 months ago we have made over 200 placings in Banks and Money Brokers. We feel that by remaining small we can offer applicants individual attention. Please contact either Mike Pope or Sheila Anketell-Jones for an appointment on 01-236 0731.
30-31 Queen Street, E.C.4

FINANCIAL DIRECTOR

Industrial Manufacturer With Overseas Subsidiaries

Southern England — **c £12,000 + car + exec. bens.**

Join a Company with £10 million turnover, part of a major holding group. Substantial growth plans result in the need to strengthen its Management Team. This is a new board appointment offering great opportunity to play a key role.

Our Client: Established 50 years, the Company leads in its field and manufactures and distributes a wide range of high performance light engineered capital goods. It forms part of a substantial, highly profitable group, and plans are in hand to increase the share of a growing market, particularly overseas.

Your Opportunity: Reporting to the M.D. you will assume control of and develop further, Company financial management functions. You will be responsible for Company finances, evaluating performance, and will control • Monthly Reporting • Consolidations • Financial Planning Budgets • Internal Control Systems • EDP Systems • Secretarial matters.

Our Ideal Candidate: A Chartered Accountant (ideally 30-40) with • a proven track record in financial management • good commercial judgement • well developed entrepreneurial skills • the personality to become part of a small, tightly knit team and impose the reporting procedures and tight financial controls of a large group.

Your Rewards: A good basic salary + executive car + BUPA + pension plan + removal expenses if required. Excellent short term promotional prospects.

ACT NOW! Write or telephone (in the strictest confidence) to the Company's adviser *DAVID BURNS, B.Sc.(Eng.) C. Eng., M.I.Mech.E.* (Director) on 01-388 2051 (or 01-388 2055, 24 hour Ansaphone). *Quote Ref. 368.* *This appointment is open to male/female applicants.*

MERTON ASSOCIATES (CONSULTANTS) LIMITED,
Merton House, 70 Grafton Way, London W1P 5LN
Executive Search and Management Consultants

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BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Assistant Chief Accountant

North of England, £ five figures + generous benefits

A new senior position has been created by this leading financial institution in order to strengthen the management structure, and to assist in the Company's succession planning. Applicants, probably 30-40, must be qualified accountants, ideally both ACA and ACMA and must be used to controlling the day to day activities of a large, fast-moving Accounts Department. They should have a thorough knowledge of budgeting and planning (both short and long term), current taxation and management accounting. The Company offers excellent benefits including house purchase assistance, bonus and profit share and generous relocation expenses where applicable.

C.G. Moores. Ref: 24210/FT. Male or female candidates should telephone in confidence for a Personal History Form to: **MANCHESTER:** 061-236 8981, *Sun Life House, 3 Charlotte Street, M1 4HB.*

Financial Accountant

24-35 — **London** — **c £9,000**

A leading high technology US multinational company with European headquarters in Paris seeks a high calibre financial accountant for their London office which supervises their UK operations. This is a career appointment.

Reporting to the Chief Accountant the new man or woman is to be responsible for around 20 staff, daily cash management, monthly reporting to strict deadlines and special investigations. Control of accounting records to the highest UK and US standards are normal company procedures.

Ideal candidates (ACA or ACMA) will probably be graduate accountants who have qualified in a leading firm of Chartered Accountants or in a large company and will thus quickly grasp the appropriate sophisticated systems.

Some management experience is essential. Outstanding graduates who await their exam results will also be considered. The remuneration package is to be based on a salary of around £9,000. Promotion in London or Paris depends upon both management and professional ability.

Applicants should telephone or write for an application form quoting reference 801.

Roland Orr
Management Consultant
35 Piccadilly, London W1V 9PB. Telephone: 01-734 7282.

Accounts Manager

City £ five figure + mortgage subsidy

Our client, a large international financial concern is seeking a Chartered Accountant to manage the Accounts Department.

The person appointed will have had substantial previous experience in managing computerised accounts in a financial group environment including specific experience of foreign exchange transactions and Bank of England returns.

He or she must be able to demonstrate good experience in managing people successfully.

This is a challenging position which will provide the right person with opportunities for future career development.

An attractive salary will be offered together with normal banking benefits, including house mortgage subsidy, BUPA, pension and life assurance.

Please write, including a full curriculum vitae and listing any companies to whom you do not wish your application forwarded to:
J.D. Vine (CRS/145), Lockyer Bradshaw & Wilson Ltd.,
North West House, 119/127 Marylebone Road, London NW1 5PU.

LBW
LOCKYER, BRADSHAW & WILSON LIMITED

TOP PUBLIC RELATIONS CONSULTANTS

required for:
The Good Relations Group

The Good Relations Group is one of the country's leading public relations consultancies.

We employ over 60 people offering skills in the field of corporate, financial, industrial consumer and government affairs.

In the last two years alone we have grown by over 100% and our client list is the most impressive in the business.

The quality of our consultants is our greatest asset, and we believe they are the best in their respective fields. As a result, finding good people to meet our standards is more difficult than finding good clients.

We are looking for executives of the highest calibre to join our Corporate and Financial divisions. The successful candidates will have a proven track record in public relations consultancy at the highest level.

Suitable candidates are currently likely to be earning between £10,000 – £20,000 per annum.

Please write giving full details to

gr
M Smith
Managing Director
The Good Relations Group Limited
15 Adeline Place
London WC1B 3AJ

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Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Finance Director

Central Scotland, c £13,500+ car

A progressive and rapidly expanding retail company, with an annual turnover in the region of £35m needs to appoint a Director to assume full control of its financial activities. The successful candidate will be a key member of the executive team and expected to advise on all aspects of the company's commercial operations. Applicants will be qualified, preferably CA, aged 35+ with previous management experience. A distributive industry background would be an advantage. Essential personal qualities are maturity, self motivation and excellent communications skills. The position attracts a generous range of fringe benefits including a non contributory pension.

E. Sutton, Ref: 17108/FT. Male or female candidates should telephone in confidence for a Personal History Form to: *LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Marketing Director

c.£18,000 + bonus + car

Our client is an outstandingly successful manufacturer in the DIY/Home Improvement field with a remarkable record of growth in both turnover and profitability through well established demand at home together with healthy export business.

Plans to broaden into a related market are now well advanced and will be structered by promotion of the present Marketing Director to a new role. His successor is now to be appointed with responsibility for conventional tasks and with full opportunity to contribute to the company's further expansion.

Candidates, male or female, aged 28-35 must have a degree and MBA plus experience in a senior marketing role in fast moving consumer goods or DIY, but above all be able to complement a highly professional enthusiastic team. Fringe benefits are excellent and include relocation assistance to the North West.

Apply in confidence for an application form, quoting reference P.121A, to ERP International Recruitment Ltd., Clemence House, St. Werburgh Street, Chester, CH1 2DY. Telephone (0244) 317888 (Ansafone after 5.00 p.m.)

ERP INTERNATIONAL

Offices in London, Chester, Jeddah, Amsterdam, Brussels, Milan, Paris

Technical Services Manager

TSB Insurance Services
c. £12,000 p.a. + car and mortgage subsidy

TSB Insurance Services is one of three businesses operated by TSB Trust Company in Andover, Hants. It provides an insurance facility for Trustee Savings Banks products and services, and is also beginning to develop general insurance products for sale in TSB branches, using an insurance broking brand name approach.

In line with the Company as a whole, TSB Insurance Services business is growing at an impressive rate and with over 8 million TSB's customers, the potential to expand even further is tremendous. The person we seek, male or female and preferably aged 30-45, will be a qualified all round insurance professional who will recognise this potential and develop and manage all aspects of technical support for Insurance Services products, including the creation of brand new departments and standards.

Through the development of an insurance broking facility, you will also have the ability to negotiate and determine agreements with insurers, in respect of content, underwriting and servicing of TSB Insurance Services products. Therefore, substantial experience as a company fire and/or accident underwriter is essential, together with a senior management background, preferably currently at director level, with a large insurance broker.

c. £12,000 p.a. is offered on a scale rising by annual increments to £13,254 p.a. (review May 1980). Benefits include a Company car, subsidy on a mortgage up to £25,000; non-contributory pension; life insurance; permanent health, personal accident and BUPA Schemes.

For an application form please telephone or write, quoting ref. IS/TS.

Personnel Department, P.O. Box 3,
Keens House, Andover,
Hampshire SP10 1PG.

Tel: Andover (0264) 62188 Ext. 379.

TSB
Trust Company Limited

Treasurer/Chief Foreign Exchange Manager

Saudi Arabian Bank

A major bank in Saudi Arabia requires an experienced banker to assume the role of Treasurer/Chief Foreign Exchange Manager. His main functions would be to develop a viable Foreign Exchange business, to manage the bank's liquid position, to advise top management on Foreign Exchange Markets and to train young Saudi bankers in Treasury/Foreign Exchange work.

The chosen candidate would have occupied a senior and responsible position in the Treasury/Foreign Exchange Departments in the Head Office of a major bank. Nationality is of no importance, but fluency in English is essential. Some Middle East experience would be useful.

Bankers with suitable experience and qualifications are invited to submit their curriculum vitae in confidence, stating the name of any bank to which it should not be forwarded.

Please reply with full career details in confidence to Box No. 2924, Gould & Portmans Ltd, 55-57 High Holborn, London WC1, England.

ACCOUNTANT

INTERNATIONAL FINANCIAL SURVEYORS

WITH OFFICES IN LONDON AND WASHINGTON

We offer consultancy services to Banks and the Insurance Industry and the applicant should have experience of Bank and Financial Institution audits, including computerised accounts.
We are seeking a qualified Accountant in the early thirties age range, who must be prepared to travel worldwide and whose duties will include some administration in the London office as No. 2 to the Managing Director.

This is an ideal opportunity for someone who has the drive and ambition to make a success of their career in a small specialised company where results will secure advancement.

Salary c. £12,000 + car + benefits.

Apply in own handwriting with comprehensive career details to: Box A.7008, Financial Times, 10 Cannon Street, EC4P 4BY.

THE STOCK EXCHANGE

NEEDS GOOD CLERICAL STAFF TO HELP RUN OUR NEW TALISMAN SETTLEMENT SYSTEM

Ideally candidates will have some knowledge of the securities industry, particularly in the area of sold transfers. Aged 21 to 40.

Commencing salary will be in the region of £4,000. Fringe benefits are attractive and include a non-contributory pension scheme.

Please telephone or write to

Barbra Coulson, Personnel Department
The Stock Exchange, London EC2N 1HP
Telephone number 01-588 2355 Ext. 8683

GROUP FINANCIAL DIRECTOR

SW Herts £12—15,000 + car

Our client, a large Swedish public Company, is seeking a Group Financial Director (GFD) for its English Group, which consists of four operating companies and a holding company. Established in the UK since 1976, the Group's activities lie in the production and marketing of industrial products, and the sale of consumer goods. Turnover currently runs at c£5m and is increasing very rapidly.

As sole employee of the Holding Company, the GFD will have complete responsibility for the Group's financial resources, insurance and internal audit, and will work with operating Company management in the formulation and development of relevant financial systems and policy. The reporting line will be straight to the Swedish parent.

Applications are invited from qualified graduate accountants with good all round experience, including currency transactions (a key area) costing and budgeting, along with an interest in the theoretical as well as the practical aspects of finance. Personal qualities are also of prime importance, to facilitate relationships with colleagues and banking contacts. The successful applicant will enjoy a challenging and varied role, and for the right person there will be excellent future prospects in the Group. Age range 30-45.

Career plan LIMITED
Executive Recruitment Consultants

Please apply: Nigel Halsey
Career Plan Ltd
Chichester House
Chichester Rents
London WC2A 1EG
Tel: 01-242 5775

Shell U.K. Limited

Shell U.K. Limited has vacancies in its Finance Divisions in London for high calibre, professional staff in the age range 25/35. Starting salaries will be competitive and will depend on experience and relocation expenses will be paid where appropriate.

Opportunities exist in:–

Management Accounting

Preparation of management control information, analysis of investment proposals and appraisal of business results of the Company and all its activities. For this department we would prefer a Chartered Accountant with a degree.

Financial Accounting

Preparation of corporate and consolidated accounts for the Shell UK group. For this position ideally we are looking for a Chartered Accountant with some post qualifying experience.

Treasury

Evaluation, negotiation and implementation of a wide range of corporate and project finance activities. You should preferably have a degree in economics or a related field, with some experience in banking or corporate finance.

Taxation

A wide range of general tax problems on trading arrangements in the U.K., including the preparation of corporation tax computations with capital gains and development land tax. Preference will be given to a qualified accountant with experience of company taxation.

Financial Procedures

Systems design for computer and manual financial procedures. You should be a qualified accountant or graduate in a relevant discipline with some previous experience in industry/commerce.

The successful applicants can anticipate rewarding careers within Shell. We also offer an excellent pension scheme, and other employee benefits.

Please telephone or write for an application form to:–
SHELL U.K. LIMITED,
UKPCF/52, Shell-Mex House, Strand, London WC2R 0DX. 01-438 3138

Shell

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After evaluating your full potential we direct you through every stage of the 'job search', furnishing you with material individually tailored to your specific needs, and counsel in the art of being interviewed.

As professionals we have an acknowledged standing in the employment market. We invite you to a preliminary discussion to discover why our clients have been so successful.

MINSTER EXECUTIVE LIMITED
28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309/1085

If you are taking 'A' levels in 1980
THINK SERIOUSLY OF A CAREER IN JOURNALISM

Would you be keen to become a newspaper reporter, interviewing people about community affairs and the unusual events that make news? Your job would be to report life as it is —warts and all—at courts, councils and elsewhere.

Like the idea? If you are likely to have two 'A' levels and will be under 20 on 1st September 1980, write without delay to the address below, for an application form for the NCTJ Newspaper and Journalism one-year full-time course which starts that month, enclosing a 9" x 4" stamped and addressed envelope.

Full-time training courses are also available in Press Photography and Periodical Journalism.

National Council for the Training of Journalists, Harp House, 179, High Street, Epping, Essex, CM16 4BG.

LEADING INDUSTRIALIST
with multiple interests seeks for Mayfair office

SECRETARY/P.A.

Fluent English/German and best references are required.

Highest pay and excellent working conditions are offered.

Please reply to:
Box A7002, Financial Times
10 Cannon Street, EC4P 4BY

DIVIDEND SETTLEMENT CLERK
GILT EDGED SETTLEMENT CLERK

City Stockbrokers have vacancies for the above positions and will offer competitive salaries, half yearly bonuses and usual fringe benefits. If you are 22+ with min. of 2 years experience please phone Janet Shaer on 623 4951.

An opening with

de Zoete & Bevan

for a

SALES EXECUTIVE/FUND MANAGER

The successful applicant will assist in the expansion and management of our private client business and services.

Applicants should have several years' Investment Management experience and be 25-35 years old.

Gross remuneration will be attractive.

Applicants should send detailed curriculum vitae to:

deZB

C. M. Brown Esq.
de Zoete & Bevan
25 Finsbury Circus
London EC2

Financial Controller/ Company Secretary
(DIRECTOR DESIGNATE)
Circa £11,000 + Bonus + Car

We offer a significant career opportunity to an ambitious accountant with a consistent record of success who is *now ready for the next* challenge.

Bestobell Mobrey is a well established leader in the design, *development and manufacture of specialised control equipment* whose markets include petrochemical, marine and process industries, plus municipal users. The company also leads an international Controls and Instrumentation group involved in distributing and servicing the product range through its nine companies in the U.K., Europe and Canada. Altogether the companies covered by the position have an increasing turnover of £20 million per annum.

The person we seek *will have a direct financial and company secretarial* responsibility at Bestobell Mobrey as well as overseeing these activities *in the other companies.* Primarily, he or she will provide financial guidelines within Bestobell Limited corporate policy for the financial control of the operating business units. This will include budgets and long term planning and the maintenance of all accounting records.

A preferred qualification would be an A.C.M.A. or A.C.C.A. together with at least eight years' experience preferably *in line management* within a manufacturing or service industry.

As a headquarters function, this job is based at Slough where there is direct responsibility for sixty staff. There is a commitment to travel regularly abroad, mainly to Europe and Canada.

Benefits will include bonus, company car, free B.U.P.A., pension scheme, and 22 days annual holiday.

Please write or telephone giving brief details to:
Paula Hughes, Personnel Officer,
Bestobell Mobrey Limited
190/196 Bath Road, Slough, SL1 4DN.
Tel: Slough 34646 ext. 118.

Bestobell – an international group

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International Recruitment Consultants

OPERATIONS MANAGER — LONDON: A new position requiring a person aged late 30s with sound financial experience of London and Gulf areas. c £17,000.

CREDIT AND MARKETING MANAGER — GULF AREA: Experience of credit and marketing in Gulf. To organise and implement strategies for expanding Bank. c £15,000.

MANAGER — GULF AREA: Ideally with senior corporate banking experience in Middle East. c. £14,000.

F.X. DEALERS: *Preferably* with operations exposure, for very varied and challenging positions. c £10,000.

ACCOUNTANTS: We have many positions with leading Banks for young ambitious Accountants. c £9,500.

We also have many vacancies in Eurobond Management, Investment Management/Analysis, Lending, Securities and Loans Admin. These vacancies and those mentioned above all carry benefit packages.

Please reply in the first instance to Mike Jackson.

Hudson Shribman International Ltd
College Hill Chambers,
23 College Hill, London EC3
Tel. 01-248 7851

INVESTMENT MANAGER

City — Good salary + benefits

An old established group of City financial investment companies wish to appoint an Investment Manager who will be responsible to the Boards for the control of the companies' quoted investments.

Experience of overseas markets an advantage. Proven ability essential. Age ideally 30-45 years. Knowledge of company administration and secretarial work an advantage.

Please apply with full details to: Box A7003
Financial Times, 10 Cannon Street, EC4P 4BY

Management Accountant

Oil Industry — London

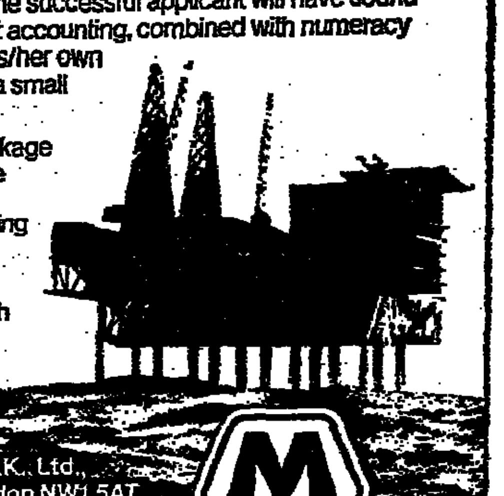
Marathon Oil U.K., Ltd. is rapidly expanding in the exploration and production of oil and gas. Our activities in Europe, Africa, Asia and the Middle East include a major North Sea development project, now in the design and fabrication stage, which is scheduled to come on stream in 1983.

It is our continuing growth, combined with internal promotion which has created an excellent opportunity for a Management Accountant to join the London budget group. The successful applicant will prepare annual budgets and forecasts, liaise with operations, exploration and administrative managers, and produce monthly variance reports.

Probably aged 25-30, applicants should ideally be fully qualified although part-qualified candidates with potential will also be considered. In either case the successful applicant will have sound experience of management accounting, combined with numeracy and the ability to work on his/her own initiative under pressure in a small professional department.

The salary and benefits package will appeal to highly capable men and women. Career prospects within our expanding organisation are excellent.

Please telephone for an application form or write with full career details.



Paul Wood, Marathon Oil U.K., Ltd.,
174 Marylebone Road, London NW1 5AT.
Tel: 01-486 0222.

MARATHON

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The Country's most successful Recruitment Service

Systems Co-ordinator

Paris Based — £10-£14,000

A rare opportunity has arisen for a young French-speaking Accountant or Business graduate with accounting experience to join the Paris office of a U.S. industrial group engaged in energy-related projects. Your initial function will be the production of internal accounting and administrative policy and procedure manuals in conjunction with all departments, both in Paris and on site in Algeria. This will entail frequent travel between these locations. In your twenties with an analytical mind and report-writing flair, you must be capable of communicating with all levels of management in a truly international setting.

Telephone: 01-836 1707 (24 hr. service) quoting Ref. 0948/FT. Reed Executive Selection Limited, 55-56 St. Martin's Lane, London WC2N 4EA.

The above vacancy is open to both male and female candidates.

London Birmingham Manchester Leeds

INTERESTED IN PROFITABILITY?

Head Office Management Reporting
c. £8,000

We are looking for a young Chartered Accountant to join the London Head Office of a quoted Manufacturing Group. Turnover £10m. Primary responsibility will be for the refinement and control of management reporting systems. This position is seen as an ideal opportunity for a newly qualified person to exercise professional skills in an industrial environment. Early availability a distinct advantage.

Please apply in confidence with full c.v. quoting ref COA/2 to Box A7012, Financial Times, 10, Cannon Street, EC4P 4BY.

Hoggett Bowers
Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Group Financial Director

London or Midlands, c £20,000 + car

The client is a substantial UK engineering group mainly involved in large capital goods design manufacture and contracting worldwide. Turnover is currently £50M and includes overseas subsidiaries. Reporting to the Group Chief Executive, the Group Financial Director will play an important role in the future expansion and management of this successful group. Prime management tasks will include all group financial and management information systems, treasury and group funding, all secretarial, insurance and pensions activities. Head Office staff will number some 20 people. However, equally important, will be the personal influence exerted over group subsidiaries M.D.'s and financial controllers to achieve the maximisation of their resources and the compliance with group plans. Candidates aged 35-45 must be qualified accountants and must show outstanding success in substantial engineering companies preferably with a contracting or large project bias.

G.E. Forester, Ref: 18251/FT. Male or female candidates should telephone in confidence for a Personal History Form to: **LONDON: 01-734 6852,** *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

INSTITUTIONAL EQUITIES
Retailing and Foods

LAURIE, MILBANK & CO. having a major presence in Gilts and Money Broking now wish to strengthen further their position in the U.K. Equity Market. They would like to hear from any experienced Analysts/Specialist Salesmen in the Retailing or in the Food Manufacturing Sectors.

The preferred age would be in the 25 to 35 range. There are substantial opportunities for rapid career development.

This position is open to both male and female applicants.

Please reply to:
T. J. Amies, Research Partner,
LAURIE, MILBANK & CO.,
Portland House,
72 Basinghall Street, London EC2V 5DP.
Tel: 01-606 6622.

Financial Consultants
Up to £14,000

At PA, our comprehensive involvement in *corporate and business consultancy* has shown us that even the most sophisticated organisations value the specialised and objective advice of external experts on *broader financial issues and in instances* of major change. Our consultancy service to commercial, industrial and public sector clients therefore concentrates, typically, on areas of significant management concern such as business and financial planning and control, corporate financial reviews, and the design and implementation of management information and advanced office and control systems.

Distinguishing features of our work are the extensive use we make of computer-based systems and the broader business know-how which we apply to every assignment we undertake, many of which are on a multi-discipline team basis. This extends into a necessary involvement in implementation and managing the process of change as it affects the company and its staff.

This is a role which will attract qualified accountants (ACA, ACCA or ACMA), probably aged 28-32, with several years experience in industry and a practical *knowledge of computer applications.*

You must also have a broad business awareness and, since our work is international in scope with opportunities *for work on overseas projects, an* additional language would be an advantage.

Additionally, we have a vacancy for prospective consultants, aged *26-28*, seeking to enlarge on their current experience. Development prospects are excellent.

The positions advertised are based in London and Birmingham. Please indicate which locations are of interest to you.

Please write in confidence giving essential career details and showing how you meet the main requirements, to the Personnel Manager, quoting reference GFF.

PA Management Consultants Ltd

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

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Hoggett Bowers
Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Commercial Accountant

Young Chartered Accountant

Brussels, c £17,000

For an international contracting company involved in third world turnkey projects. Reporting to the Group Financial Controller the successful candidate will join a small, young and energetic team providing the total finance function. Responsibilities will include project appraisals and proposals, international funding, negotiations on the purchase of equipment, cash flow forecasts and consolidations. This will provide the grooming for progression to involvement in top financial decision making within the short term and so the highest level of ambition and commitment is required. Aged 25-30 applicants, ideally but not essentially graduates will have post qualification experience in either a contracting or heavy *industrial* environment. Benefits and prospects are excellent.

N.P.S. Lilley, Ref: 22175/FT. Male or female candidates should telephone in confidence for a Personal History Form to: **LONDON: 01-734 6852,** *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

INVESTMENT ASSISTANT

We are looking for an assistant to join our small but expanding Investment department.

The successful candidate will be employed on the management of our gilt portfolio and experience in this field is essential. He/she should be educated to 'A' level or graduate standard.

An attractive salary and fringe benefits commensurate with a position of this level are offered.

Applications in writing to:
Personnel Officer
SWISS REINSURANCE COMPANY (UK) LTD.
108 Cannon Street
London EC4N 6HE

Mothercare

Watford — **c.£9,000+car**

Due to the continued expansion of Mothercare, a vacancy has occurred for a young and ambitious qualified accountant.

Reporting to the U.K. Chief Accountant you will assist with the preparation of budgets and their control, the development of corporate planning using sophisticated modelling techniques, capital expenditure reports and year end accounts. Once established further interesting responsibilities will be delegated involving liaison with operating units and the enhancement of management reporting procedures.

The reputation of Mothercare, founded on its management and profits record, together with its controlled growth ensures that opportunities for advancement are far reaching. Excellent benefits including relocation assistance if applicable, make this an attractive position.

Contact David G. Nevin on 01-405 3499
quoting reference DN/178/MCF

Lloyd Management
Recruitment Consultants

125 High Holborn London WC1V 6QA — *01-405 3499*

INTERNATIONAL BANKING
£5,000—£12,000

Our client list contains most of the genuinely active international and merchant banks, offering interesting careers in such varied activities as Eurocurrency Credit, Loans, Foreign Exchange, Management Accounting.

Opportunities occur at all levels . . . from those requiring relatively brief experience in banking to those demanding much more extensive and specific expertise.

To discuss your own particular career objectives please telephone Ann Costello or John Chiverton A.I.B.

JOHN CHIVERTON ASSOCIATES LTD.
31, Southampton Row, London, W.C.1.
01-242 5841

Ambitious Qualified Accountant
Hants

Schlumberger are a very successful international company with principal activities in the field of electronics. Their continued success depends on the exercise of strong financial control in a heavily decentralised business structure. Consequently there is a need to maintain a network of high-level controllers by recruiting qualified accountants who have the capacity to develop their careers within a challenging environment.

Currently a vacancy exists within the U.K.'s headquarters at Farnborough, Hampshire presenting a unique opportunity to the right applicant. A recognised qualification is essential; a degree is desirable, and a knowledge of French would be useful.

We offer a competitive salary together with excellent career prospects and the usual large company benefits. Generous assistance will be given with relocation expenses where appropriate. If you feel that you have the necessary experience and qualifications, please write with brief but sufficient career details to:

Barry Simmonds, Personnel Manager,
Schlumberger Measurement and Control (UK) Ltd.,
Victoria Road, Farnborough,
Hants. GU14 7PW.

Solartron
SOLARTRON Schlumberger

Assistant Group Treasurer

c. £15,000 plus car

A major British engineering group, based in the Midlands, is seeking an executive to fill this important position.

The successful person will be concerned, primarily, with financial evaluation and negotiation of acquisitions and divestments, though other aspects of corporate finance are included.

Applicants should, preferably, be aged about 30, be graduates and/or qualified accountants, have several years appropriate experience and proven negotiating ability. They should now be holding a senior position in industry or in the City.

Salary is negotiable around £15,000, with company car plus first class benefits and relocation assistance where appropriate.

Please write, giving comprehensive career details, salary progression and the names of any organisations to whom you do not wish your application to be forwarded, to:

T. G. West, (Ref 508)

Whites

Whites Recruitment Limited 72 Fleet Street, London EC4Y 1JS

Offices: Bristol, Glasgow, Leeds, London, Manchester and Wolverhampton.

SENIOR MARKETING APPOINTMENT

£10-£12,000 — **North West**

A major UK company, part of a billion dollar international food group, requires an experienced marketeer. There have been recent promotions and the new Sales and Marketing Director is strengthening his team.

Responsibilities include making a major contribution to the overall advertising planning and strategy as well as, the detailed implementation and control of the advertising programmes. The full product range multi-million pound budget is operated through three agencies for the UK and Ireland. The position covers administrative and budgetary control; detailed communication and liaison between the agencies, the marketing department and sales force; and also has responsibility for the consumer service function as well as, a variety of interesting adhoc advertising and marketing projects.

Likely candidates in their late 20's will have a very good degree possibly in economics, business administration and/or marketing, ideally followed by a post graduate qualification in a numerate discipline. A blue-chip advertising/marketing background in food, or other fast moving consumer goods is required and experience of American companies and working with major full service advertising agencies would be especially relevant.

Additional languages and a willingness to relocate overseas is not essential but would enable the successful candidate to take advantage of the unusually good international promotion prospects.

Usual large company benefits, including full relocation costs, are offered.

Candidates, male or female, should send a detailed career history to the consultant advising on this position quoting reference number C124/FT.

JWT Recruitment Ltd

Executive Recruitment & Selection

40 Berkeley Square London W1X 6AD 01-629 9496

European Planning Manager

Centronics are preparing for the eighties

We are the leading independent matrix printer manufacturer and have grown rapidly in Europe over the last four years. Our plans call for continued growth and success in the years ahead.

We now require an experienced Financial Planner with the ability to develop periodic forecasts and long range plans and to monitor actual performance against these.

An accounting background is considered necessary along with high analytical and communicating skills.

The European Planning Manager will be a member of a small team based at the company's European Headquarters in London.

Some travel will be necessary to visit our European subsidiaries as well as our factory in Southern Ireland.

Salary will be in the region of £11,500 plus a car.

Please reply to the European Director of Finance, Centronics Data Computer, Petersham House, Harrington Road, London SW7.

CENTRONICS® PRINTERS

Simply Better

Investment Management

A major British industrial company requires an Assistant Investment Manager to participate in the management of rapidly growing pension fund assets currently around £250m.

The specific responsibilities are to manage the UK ordinary share portfolios; act as investment manager of a small fund within the group; and, assisted by an analyst, maintain a high level of detailed investment research.

The fund management team is small and highly motivated, with constant emphasis on improving investment techniques to remain well ahead of the market. Each member participates in decisions relating to all investment sectors, providing the opportunity for career development to senior investment management.

The basic requirements are substantial investment analysis experience and direct involvement in ordinary share portfolio management. A degree or professional qualification is desirable. Age not less than 28.

Salary c. £12,000 plus car. Location – London W.1.

Please write (male/female candidates) in strict confidence with full personal and career details, quoting ref 932/FT, to:

Philip Smith

Manpower Consultants

85-87 Jermyn Street, London SW1Y 6JD

CHIEF ACCOUNTANT

c. £10,500 p.a. + car

West Midlands

Tarmac Roadstone (Southern) Limited is a major company within the Quarry Products Division of the Tarmac Group, engaged in quarrying, road surfacing and ready mixed concrete activities throughout the Southern half of England and Wales.

The Chief Accountant is a new appointment reporting to the Administration Director, and responsible for the total accounting function including Financial and Management Accounts, Fixed Asset Records, Bought and Sales Ledgers and Cashiers Department. He/she will assist in the production of annual budgets and business plans and have a significant role in the continued development of integrated accounts. The Chief Accountant will lead a team of Accountants and some 50 administration staff, which demands considerable managerial skills. The ability to deal effectively with senior line management and external contacts is also essential.

Applicants must be professionally qualified, preferably Chartered Accountants, with at least 7 years' post qualification experience. It would be a considerable advantage to have up to date knowledge and experience of computer systems used in accounting, preferably with a large organisation. The appointment presents an excellent career opportunity within an international group and could lead to more senior positions within the function or into line management.

Salary offered is negotiable around £10,500 and a Company car is provided, together with other excellent fringe benefits. The appointment is based in Wolverhampton but some travelling is involved. Assistance with relocations costs will be provided where appropriate.

Full and detailed C.V. in confidence to:-

R.D. Symons, Tarmac Roadstone Holdings Limited, Roadstone House, P.O. Box 44, 50 Waterloo Road, Wolverhampton WV1 4RU.

Tarmac ROADSTONE

Charterhouse Japhet

have opportunities for

A Senior F/X Dealer

to specialise in

Forward $/D. Mks.

to further develop the existing markets and broaden the dealing base of the Bank. Charterhouse Japhet is already well established in Dollar/D. Mark Forwards and this is an opportunity to build up a personal reputation in this field.

A C.D. Dealer

in

Sterling and Euro-Currencies

Preferred ages 25-32 with substantial experience. Competitive remuneration package will include mortgage subsidy down to 5%, non-contributory pension and free lunches.

Please write or telephone R. W. H. Lubbock, Personnel Director, Charterhouse Japhet Limited, 1 Paternoster Row, St. Pauls, London EC4M 7DH. Tel: 01-248 3999.

CHARTERHOUSE JAPHET LTD

A member of the Charterhouse Group

Investment Analyst

Montagu, Loebl, Stanley & Co., specialists in the Overseas Traders and Plantation Sectors, seek an investment analyst to strengthen their team in this field.

The successful candidate will be expected to prepare reports for institutional clients on the companies followed and communicate recommendations to our salesmen.

Applicants should ideally be in their twenties and have at least two years' experience of investment research. A competitive salary will be offered.

Please send replies in confidence to:

Robert Carpenter,
Montagu, Loebl, Stanley & Co.,
31, Sun Street, London, EC2M 2QP,
or ring 01-377 9242.

SENIOR BUSINESS JOURNALISTS

Prominent international business information service seeks experienced staff writers to join its London editorial bureau for coverage of Western Europe and the Middle East. Successful candidates will have a close knowledge of current business and corporate affairs, the ability to write lucidly, and the confidence to counsel senior executives of multinational corporations.

Applications indicating experience, qualifications (including languages) and special areas of interest should be directed to:

G. Holmes, Editorial Director
BUSINESS INTERNATIONAL
Banda House, Cambridge Grove, London W6 0LN

Investment Management

Due to continued expansion of its investment business Kleinwort, Benson Limited seeks to recruit an additional member for its portfolio management team.

The successful candidate must be thoroughly experienced in the international bond market and capable of running bond portfolios which will be the prime function. Knowledge of economics, foreign equity markets and foreign exchange would be helpful.

It is likely that the successful candidate will have had a number of years experience with an international bank or a stockbroker and be in the age range of late twenties/early thirties.

The remuneration package offered will reflect the experience of the successful applicant and the level of the position offered.

Applicants should write in the first instance, enclosing a full curriculum vitae to:-

P. F. G. Barnes, Assistant Director, Personnel,
Kleinwort, Benson Limited,
20 Fenchurch Street, London EC3P 3DB.

KLEINWORT, BENSON

Merchant Bankers

Financial Director

North East — ***£15,000 plus bonus and car***

Our client, a progressive medium sized light engineering company engaged in the manufacture of safety equipment for the oil, petrochemical and coal mining industries, wishes to recruit a Financial Director.

The Financial Director will be responsible to the Chairman and Managing Director for administering and developing the financial and management accounting procedures, the computer facilities and systems, and also the preparation and interpretation of management control information.

Candidates, who must be Chartered Accountants aged between 32 and 38, should have commercial experience of modern management accounting techniques, data processing, the ability to operate effective financial and management information procedures and also be capable of making a positive contribution to the management of the business. Accounting experience in the engineering industry will be an advantage.

Salary negotiable around £15,000, additionally a bonus scheme is in operation and a company car is provided. Location Tyneside. A contribution will be made to re-location expenses where appropriate.

Interested candidates are invited to write for an application form to Dennis W Tyson, Sun Alliance House, 35 Mosley Street, Newcastle upon Tyne, NE99 1PL, quoting Executive Selection Division reference MCS/128.

Price Waterhouse Associates

Financial/Operational Auditor

International Trading/Financial Group

c. £11,000 — **City**

An experienced accountant is required for a group of trading and financial services companies based principally in Europe, but trading internationally. The assignment would be to review and improve financial and operational controls and management information systems, and would include monitoring a system of limits of authority for trading operations.

This is a new position, reporting to the Chief Executive and calling for a commercially orientated accountant with the ability to communicate with top management and produce positive and authoritative reports. Candidates should be aged over 30, with a minimum of 5 years' P.Q. experience and familiarity with international trade.

The job would be London based, with occasional travel abroad.

Salary is negotiable according to experience and ability. Good prospects are inherent.

Please write or telephone to D. G. Muggeridge. (Ref: 6467)

This appointment is open to male or female candidates.

mh Mervyn Hughes Group

2/3 Cursitor Street, London EC4A 1NE

Management Recruitment Consultants

01-404 5801

HEAD OF LOANS ADMINISTRATION

As a result of continued expansion a position has arisen with a leading International Bank in the City for Head of Loans Administration Department, responsible for a complement of eight staff engaged in all administration aspects of commercial loans and guarantees.

Candidates must have at least five years' relevant experience with an International Bank and are likely to have held a supervisory position for a minimum of two years. A high degree of technical knowledge in this field, together with proven ability to manage and motivate staff are essential. The successful candidate, preferably with A.I.B., will receive an attractive salary together with excellent fringe benefits.

BANK OF ENGLAND RETURNS

A number of positions are currently open to candidates experienced in the completion of Bank of England returns.

Ages 20/30 — Salaries range from £4,500-£6,000

These positions are open to both male and female applicants

BSB Banking Appointments

115-117 Cannon Street, London EC4N 5AX Telephone 01-623 7317 & 01-623 9161

Recruitment Consultants

DG David Grove Associates

Bank Executive Recruitment

60 Cheapside London EC2V 6AX

Telephone 01-236 0640

SENIOR LENDING BANKER

£15,000 neg.

Our client is an international merchant bank, expanding its United Kingdom operations.

The vacancy responsibilities will cover all aspects of the lending function with particular importance being attached to the development and management of a United Kingdom orientated portfolio of corporate loans. Experience in LCs and other forms of Trade-related Finance will be of added benefit.

Suitable candidates will have had at least 20 years' banking experience of which no less than 10 years will have been spent in a lending role, covering a wide range of industrial and commercial activities.

Preference will be given to candidates with current relevant experience in the City of London at senior level.

The remuneration package is attractive and is unlikely to be a critical factor. It would reflect the ability and potential of the successful candidate.

Managing Director

Engineering Fasteners

c.£13,000

Our client, one of the most significant growth companies of the last decade in the engineering industry which intends to maintain its profitable development in the 80's by vigorous *decentralised management*, is now seeking a Managing Director for one of its subsidiaries supplying fasteners to a wide range of industries.

The Managing Director will be totally responsible for the development of this business, currently turning over around £2m, and will be expected to determine and implement policies aimed at generating improved profit performance.

Candidates, male or female, preferably aged between 30-45 should have a Degree in Mechanical or Production engineering and have considerable experience of high volume batch production in the engineering industry, ideally with profit responsibility.

The salary package is negotiable, but will include a base salary and profit sharing scheme, designed to provide around £13,000 p.a., plus a Rover car, pension and life assurance schemes with relocation expenses, if appropriate, to a delightful rural location in Yorkshire.

Please write in confidence, initially with brief details, quoting reference 1002 to John Anderson, as Advisor to the company, at:–

John Anderson & Associates
Norfolk House. Smallbrook Queensway. Birmingham B5 4LJ

Merchant Bank

Leasing

Hill Samuel Leasing Co. Limited, a wholly owned subsidiary of the Merchant Bank, is seeking the early appointment of a person to join a small team to handle the negotiation and evaluation of lease contracts.

The successful candidate is likely to be about 30, possessing a background of at least 2 years in commercial banking or leasing with a degree or professional qualification. The requirement for this new position is for a resourceful person capable of being fully involved in all aspects of leasing business and of making an all round contribution.

Salary will be negotiable depending on experience and qualification. Excellent company benefits include a non-contributory pension scheme with free life assurance and BUPA membership, mortgage assistance, staff and season ticket loans, subsidised luncheon and LVs.

Candidates should apply in writing with brief details to:–
P. G. S. Coulson, Senior Personnel Officer,
Hill Samuel & Co. Limited, 100 Wood Street,
London EC2P 2AJ.

HS

Group Accounts Manager

Circa £9,000 per annum plus Car

We seek a senior accounting executive to complete the management team of our centralised accounting Head Office in Luton, Bedfordshire.
His/her responsibilities include production of the published year end accounts, all management accounting information to the Board and trading executives, capital expenditure control and reporting, considerable involvement in the annual profit/capital planning cycle, and the management of 15 staff.
Substantial developments are planned to sophisticate the reporting and information production methods.
The appointee, male or female, will report to the Head of Accounting in Luton and must be able to work to tight timing schedules, guide and manage qualified staff, and contribute skills of the highest professional standard.
The benefits package of a large and progressive group will be discussed at the interview but these include a share participation scheme, staff discount, pension and free meals.

Please write to: The Personnel Controller (H.O.)
British Home Stores Limited
129/137 Marylebone Road,
London N.W.1. 5QD.

BHS

BRITISH HOME STORES

A Career in Corporate Banking Commodity Finance

We are seeking an experienced Banker to head our London-based Commodity and Trade Finance Group.

The position primarily involves new business development, and also carries responsibility for co-ordinating the similar efforts of a small team of officers, together with related credit assessment and management reporting.

Ideally you will be familiar with the functions of the London commodity futures markets, and you must have a good working knowledge of the normal methods of trade finance including letters of credit and foreign exchange.

This is a senior post, and we are offering a wide-ranging benefits package and an appropriate salary. Career prospects are excellent and will not be confined to the speciality under consideration.

Applicants, male or female, should write in the first instance, giving full details of career and salary to date to: Terry Jones, Assistant Vice President, Chemical Bank, 180 Strand, London WC2R 1ET.

CHEMICAL BANK

Accountants for Consultancy

Our role is to assist management to *improve* efficiency and profitability, both in Britain and overseas, and we need more people for this work.

Consultants are based at London, Birmingham, Leeds, Manchester and Edinburgh.

We require:

- ☐ Professionally qualified accountants, preferably with a degree and aged between 27 and 35.
- ☐ First class experience gained at a senior level in well-managed organisations in the private or public sectors.
- ☐ The ability to motivate people and get things done.

Among our particular requirements are accountants with experience in banking, the water industry and other utilities.

We offer:

- ☐ Experience in a wide variety of industries and in the public sector.
- ☐ Opportunities to work with extremely able people, of varied disciplines, on projects ranging from feasibility studies for major capital projects to the development of models, accounting and reporting systems using timesharing services, mini and mainframe computers.
- ☐ High job satisfaction, excellent career *development*, a generous salary and benefits package (which includes a car) and also substantial additional allowances when working overseas.

Write in confidence, with brief but comprehensive details of career and remuneration, to J. B. Morris.

Management Consultants,
5th Floor, 1 Puddle Dock,
Blackfriars, London,
EC4V 3PD.
Peat, Marwick, Mitchell & Co.

Taxation Accountant

City £11,500

The Company:
A leading international shipping company now seeking to recruit a taxation accountant to fill a newly created position in their City Head Office.

The Job:
Reporting to the Group Treasurer, the man or woman appointed will be responsible for the Group's compliance work and taxation accounting and assist in corporate and personal tax planning.

The Applicant:
A qualified accountant with at least two years taxation experience with a professional firm or a large commercial concern.

The Benefits:
Salary as above; excellent career prospects; pension and life assurance schemes; season ticket loans; flexible working hours.

The Action:
Write with full details to Ref. MA254,
Robert Marshall Advertising Limited,
44 Wellington Street, London WC2E 7DJ.
Please list separately any companies in which you are not interested.

Robert Marshall Advertising Limited

EAL

MONEY MANAGEMENT/FX Hong Kong c £15,000

Major Merchant Bank which continues to expand in the Far East seeks a money market/FX manager who will develop and implement policies for funding and liquidity management, for FX dealing activities and short-term paper issues. Salary negotiable around £15,000 plus free accommodation and other significant financial benefits.

Candidates will probably be in their early 30's. They must combine sound operational skills gained in an international institution handling a broad range of FX and money market transactions with the ability to identify and take advantage of market trends. (SW.264)

Candidates male or female should write briefly and in confidence to the Managing Director, Executive Appointments Limited, 18 Grosvenor Street, London W.1, quoting reference. No identities divulged without permission.

The London & Westminster Sterling Brokers

We are eager to expand our interbank section and will be pleased to discuss generous terms with an ambitious team, alternatively *individual experienced interbank brokers*, wishing to benefit from the planned expansion programme of this established money broking company. We also have a position for an experienced senior local authority money broker. In each case only first class brokers with proven ability should apply. The terms envisaged are exceptional.

Write or telephone in complete confidence to:
Brian H. Fitch, 57-63 Scrutton Street, London, EC2.
01-739 5225 (private line).

Put your banking experience to good effect

Client Executive

with senior management potential

Invoice factoring is a highly effective way of providing capital and efficient cash flow for Britain's vital small and medium size businesses, both in the home and export markets.

Alex. Lawrie Factors, part of the Lloyds & Scottish Group, is now one of the largest factors in the UK with a client turnover of over £180 million a year.

We have grown on the strength of a professional and highly personal service to customers. This sustained growth means we need a Client Executive whose responsibilities will include:—

- i safeguarding of our security in day-to-day client administration;
- ii counselling clients on the best use of services;
- iii supervising a team of staff who collect on client accounts.

Ideally we wish you to have an HNC in Business Studies or similar and have some experience in either merchant banking, leasing or financial management. Previous factoring experience would be useful but not essential, as full training will be given.

Most important is your enthusiasm and initiative in dealing with people at all levels of seniority.

Salary up to £6,000 p.a., plus company car and large company benefits. Present location is Banbury but the right person, male or female, could move within the UK. It is no empty promise to say the Client Executive we appoint now is very likely to be part of the senior management team in the future.

Please write for an application form to Mr. M. J. Parsonage. Personnel & Training Manager.

Alex Lawrie Factors Ltd.
P.O. Box 12, Banbury, Oxon OX16 7RN

Hoggett Bowers

Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

New Business Manager–Factoring

City, up to £8,500 + car

Our client, one of the largest invoice factoring services in the U.K., is looking for a Regional Manager for their London operation. He or she will be responsible for following up enquiries, assessment of potential client companies, and the negotiation and completion of contracts. The ideal candidate will be aged between 28-32, finance/marketing orientated, and able to work without supervision. A comprehensive training will be given. The prospects and fringe benefits are excellent.

Mrs. I.M. Brown, Ref: 19182/FT. Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

European Controller

London based *£17,500 plus car*

The quality of the computer software systems marketed, worldwide, by this company is matched only by the service and the support they extend to their clients. The company is strong financially and has reached a level of profitability and growth within Europe that calls for the appointment of a Controller.

Responsibility will be to the Corporate Controller in Illinois. An early task will be to centralise the accounting of the subsidiary European companies where work is presently being done by local accountants.

The specification calls for a chartered accountant whose post qualification experience includes responsibility for the accounting activities of *one or more European subsidiaries of an American parent* company. Ideally this will have been exercised on the mainland of Europe and in a service industry.

Location: London W11. Salary: £17,500 plus car.

Please write in confidence for an application form and a job description to David Prosser, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY quoting MCS/3807.

Price Waterhouse Associates

CORPORATE LENDING

THE FIRST NATIONAL BANK OF CHICAGO is seeking an additional business development executive for its Edinburgh Branch.
He or she will be responsible for marketing the entire range of the Bank's services to existing and potential industrial, commercial and institutional clients in Scotland.

Ideal candidates will have a relevant degree, professional or post-graduate qualification and experience in the field of corporate lending.
Experience meeting the international banking requirements of investment trusts and insurance companies would be an advantage.

Although this appointment will initially be in Edinburgh, candidates should expect that in the course of their long-term career development within the Bank, they may be relocated within the UK or abroad.

Salary negotiable with generous benefits including non-contributory pension plan and concessionary rate mortgage facility and car allowance.
Written applications incorporating a curriculum vitae should be addressed to:

C. Anne Bathgate
Recruitment/Training Administrator
The First National Bank of Chicago
1 Royal Exchange Buildings
Cornhill
London EC3P 3DR

PERSONNEL RESOURCES in the 80's

FINANCIAL APPOINTMENTS SERVICE — LONDON, LEICESTER, LEEDS

DIVISIONAL CONTROLLER City £12,000 Neg.

The company are *leaders in the manufacture* and worldwide marketing of high technology equipment, and wish to make a senior appointment within the UK Marketing Division.

The role provides for active participation in profit improvement, the establishment of key management and financial control practices, and the rigorous appraisal of significant commercial contracts.

There is excellent potential for personal career advancement. Success will be achieved by resourceful management of an established department engaged in all commercial and financial administrative routines, and through the development of sound operating relationships with Divisional and Group management.

Application is invited from Qualified Accountants or Business Graduates aged 30+. Prior experience in control of finance services in a marketing environment will be considered an advantage.

Call Brian Cognet, ACCA on 01-248 6321

Personnel Resources Limited 01 248 6321

Head Office: BELLGATE HOUSE, OLD BAILEY, LONDON EC4M 7HS
Corporate Personnel Consultancy, Leading Specialists in Finance & Personnel Management Appointments

HEAD OF SECTION—BANKING

Age 27-32 **c. £9,000**

The Merchant Banking arm of one of London's major American Banks seeks to appoint a senior and fully experienced Banker to the above position. The job involves the control of all aspects of internal and external reporting, the preparation of statutory accounts, and, in conjunction with the Fiancial Controller, dealing with the Bank's taxation and accounting policies.

The successful applicant will probably possess a professional qualification (Accountancy or Banking), and must have a proven track-record in wholesale banking, including regulatory reporting and F/X Accounting. Experience within a computerised environment is a decided advantage. Prospects for further advancement are excellent, and a comprehensive range of fringe benefits is available.

Please telephone, in confidence, Mark Stevens

BANKING PERSONNEL
41/42 London Wall London EC2 Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

CITY COMPANY

involved as Principals in transactions for industry and commerce for substantial amounts requires an additional

Senior Assistant

Preferred age 28-35.

A minimum of 5 years' experience of Banking or Company Finance/Accounting/Analysis or possibly in the Corporate Sector of Law could be appropriate.

Qualities of drive/self-motivation linked to prudence and communication ability are essential.

The position will be of interest to candidates currently earning about £8,000 p.a. Excellent prospects for career development.

Full details to Box A.7006, Financial Times, 10, Cannon Street, EC4P 4BY.

Bank Economist

A City-based major international banking group has a vacancy for an economist, male or female, with at least two years' experience in commercial, financial or other relevant employment since graduation.

The post is in the Economic Department, which is concerned with a wide range of subjects including country risk assessment, currency and interest rate forecasts, commodity markets, the many developing countries in which the group operates and developments in the United Kingdom, the United States and elsewhere in OECD. Opportunities for specialisation will be given.

The appointment will interest a young economist possessing a good degree in economics or an associated discipline who is keen to join a lively, well-established team. There is an attractive basic salary and ancillary benefits are substantial. A working knowledge of a major European language would be useful.

Write, giving relevant personal data and career history to The Manager, (U.K. Manpower), Personnel Division, Standard Chartered Bank Limited, 10 Clements Lane, EC4N 7AB.

Standard Chartered
BANK LIMITED

£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on January 8, 1980

Job Title	Salary	Location	Advertiser
Young Management Accountant	£7,500	West End	Canada Dry International Inc.
Financial Controller	£9,000	—	Box No. G.5079
Accounts Management	£5-7,000 + Car	South Woodford	Jose Bataller & Co. Ltd.
Two Accountants	£7,500 + Co. Car	Potters Bar Herts.	Highland Leasing Ltd.

For the full text of the advertisements please see the Financial Times of that date or telephone Sally Stanley on 01-248 5597

ASSISTANT COMPANY SECRETARY

c. £8,000 and Usual Fringe Benefits

An experienced administrator is required to assist the Company Secretary of a quoted Group in General Secretarial matters including the maintenance of a self-administered pension scheme.

The position is situated in Westminster at the group Head Office and would suit someone with good experience of Company Secretarial duties in a group environment.

Applications with full details to Box A.7011, Financial Times, 10 Cannon Street, EC4P 4BY.

ASSISTANT CONTROLLER
Leasing

This is an excellent opportunity if you are between 28-35 and are a qualified Chartered Accountant or have an equivalent qualification.

Working for our financial department in Europe, you'll report directly to the financial controller for Europe based in Isleworth.

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It would be advantageous to possess a master's degree in accounting or business administration, experience in supervision of electronic data processing and/or supply and transport operations and to have a working knowledge of French, German or Arabic.

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Director of Personnel (EVN/11/79)
UNRWA HQ (VIENNA)
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CONTRACTS AND TENDERS

Yemen Arab Republic

Yemen General Electricity Corporation
132KV Transmission Project

It is the intention of the Yemen General Electricity Corporation to call for tenders for 132/33KV substations contract YEM 053 for the Yemen Arab Republic.

Firms are invited to register by the 25th January, 1980 their intention to apply for the tender documents which will be available by mid February 1980. Only registered firms with comprehensive experience who can provide proof of having successfully completed the design and installation of EHV substations, preferably in the Middle East, of comparable value may obtain the tender documents which will be available from the offices of the corporation in Sana'a, Yemen Arab Republic or from their consulting engineers Messrs. Kennedy and Donkin, Premier House, Woking, Surrey, England. Firms are not required to provide evidence of experience at the time of registration.

A non-returnable fee of 1500 YR or £150 sterling will be charged for each set of documents issued.

The scope of work will comprise:

A five circuit 132/33KV double Busbar substation including two 45MVA transformers for TAIZ and a single circuit 132/33KV 15MVA transformer substation for IBB.

Tenderers will be requested to submit proposals with their tender for financing the project.

Firms wishing to register should apply in writing to the chairman, Yemen General Electricity corporation, P.O. Box 178, Sana'a, Yemen Arab Republic, sending a copy of this letter to the engineer, Messrs
Kennedy & Donkin
Premier House
Woking
Surrey
GU21 1DG

KENNEDY & DONKIN
Consulting Engineers

COMPANY NOTICES

HITACHI LTD.

ORDINARY SHARES BDRs
ISSUED BY CITIBANK N.A.

NOTICE IS HEREBY GIVEN that a dividend due 11th January 1980 to holders of BDRs as at 30 September 1979 may now be claimed at the rate shown below on presentation of coupon No. 22 detached from BDR's of 10 shares each and coupon No. 17 detached from BDRs of 80 shares each to the undersigned.

Gross dividend per share	= US$0.012458
Less 15% Japanese withholding tax	= US$0.001869
Net dividend	= US$0.010589

United Kingdom Income Tax at the reduced rate of 15% in the £ will be deducted from the amount of this dividend except in cases where coupons are accompanied by a United Kingdom Inland Revenue affidavit of Non-Residence.

Special listing forms are available from the undersigned:

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Gross dividend per share	= US$0.014141
Less 15% Japanese Withholding Tax	= US$0.002121
Net dividend	= US$0.012020

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PUBLIC NOTICES

DONCASTER METROPOLITAN BOROUGH COUNCIL
£4,650,000 Bills issued 10th January, 1980 at 15 63/64%. Maturing 10th April, 1980. Applications totalled £41,200,000. These are the only Bills outstanding.

ST. HELENS BOROUGH COUNCIL BILLS
Issued 8th January 1980 £2.0m Bills at 16% due 8th April 1980. Applications £12m. Total outstanding £3.5m.

GLOUCESTER COUNTY CORPORATION BILLS
£2,500,000 Bills issued 9th January 1980 at 16% to mature 9th April 1980 Applications £15,000,000. Outstanding £4,000,000.

STOKE CORPORATION BILLS
£650,000 Bills issued 9th January 1980 at 16 1/32% to mature 9th April 1980. Applications £5,200,000. None outstanding.

BIRMINGHAM COUNCIL BILLS
£8.0m 91-day Bills issued 10th January, 1980 to mature 10th April, 1980. Applications totalled £68.5m. Minimum accepted price £96.01½. Average rate of discount £15.98%. Total Bills outstanding £23.5m.

DUDLEY METROPOLITAN BOROUGH BILLS
£3.5m Bills issued 10.1.80 at a rate of 16 1/32% to mature 10.4.80. Total applications were £32.5m and there are £5.6m Bills outstanding.

KNOWSLEY CORPORATION BILLS
£1,000,000 Bills issued 9th January 1980 at 16 1/32% to mature 9th April 1980. Applications £9,000,000. Outstanding £1,000,000.

CLEVELAND CORPORATION BILLS
£17,000,000 Bills issued 9th January 1980 at 16% to mature 9th April 1980. Applications £97,000,000. None outstanding.

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LOMBARD

Falling for the going rate

BY JOHN ELLIOTT

ONE OF THE more alarming aspects of the current wage round is the way that many employers, especially in the private sector, appear to have decided to award pay rises broadly in line with the retail price index of around 17 per cent without any great assessment of the economic and industrial consequences of their actions.

In many cases they seem to have been overwhelmed by the magic notion of a "going rate" which has built up in the past decade or so when consecutive incomes policies have concentrated people's minds on a particular figure.

Union wrath

So accustomed have employers become to being told what to pay that this year many of them seem in desperation to have cast around for some yardstick which will save them choosing a figure for themselves. The RPI level has thus emerged as the "going rate" and has been paid out by many companies which have not wanted to risk trade union wrath.

Now the CBI, encouraged by the Government, is issuing regular Press releases proclaiming that "it is misleading to speak of a single going rate." The CBI says that all sorts of rises from 5 to over 20 per cent are being paid in company settlements, but has to admit that the main concentration is between 12 and 16 per cent.

These figures help to prove that it is perfectly possible for employers to negotiate rises peacefully, at only two-thirds of the RPI level if they bother to argue their case with their trade unions and employees. A company's trading position and its ability to finance pay rises then becomes a more important criteria than what its economists or industrial relations experts believe to be the safest figure to aim for.

Buying industrial peace will also, of course, be a criterion as will the need to recruit and retain labour. Sometimes a company will consequently offer a high figure. In other cases a lower, more commercially realistic figure, will be tried and achieved. But whatever the figure, it will be related to what the company believes to be in its own best interest, rather than being merely culled from some national statistics.

Of course the real underlying problem is that both the Government and the CBI are so hooked on their abhorrence of pay norms that they cannot start a useful debate about what the country can afford. The CBI would like the Government to set up a special national economic forum.

But many CBI leaders — together with Cabinet Ministers such as Sir Keith Joseph — distrust the economic forum idea because they know that it would almost certainly become the back-door entry point to some sort of formal pay policy.

If one takes abhorrence of pay policies to the extent of not being prepared to mention any sort of pay norms, it is very difficult to give a lead about what can be afforded. So there have not this winter been the usual Ministerial speeches about what should be paid, and the Tax and Price Index, which was launched with a fanfare by the Government last August, is largely ignored. It stands about two points lower than the RPI and could be used to try to induce a lower going rate if only Ministers were prepared to talk figures.

Own decisions

Indeed the Government is so shy of figures and of direct involvement in industrial affairs that it has run into trouble with the nationalised industries. First it tied itself into a political knot in the autumn over the impact of the retail price index on the industries' cash limits. Then its determination not to be seen to be directly associated with any wage negotiations has prevented it using its influence openly in trying to avoid the steel strike.

It is therefore up to companies in the private sector to make their own decisions and to relearn the art of wage negotiating. The notion that the going rate is 17 per cent or so will vanish only when companies around the country look to their own commercial position and negotiate according to what they find, rather than telling their researchers to discover the current level of a national norm.

Iran: the legal battles for loan protection

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

THE FREEZING of Iranian assets in the United States and the fears that Iran will default on loans led to a relatively small number of court cases in the UK, France and Germany. By contrast, more than 100 actions have been brought in U.S. courts including 67 in the Southern District Court of New York, where most Iranian assets are located. Other cases are pending in San Francisco, Los Angeles, Dallas, Houston, Milwaukee, Chicago, Boston, Newark and Washington.

In most of these actions, banks and companies are trying to obtain some security for the time when a final solution of their claims becomes possible. In almost every case the litigation is only in its initial stages, but even so a number of legal issues, both substantive and procedural, have been revealed. Some of these may be of interest to those envisaging the possibility of similar proceedings either in the U.S. or elsewhere.

One of the first questions to be answered by the thousand or so American lawyers sitting up late every night over their colleagues' Iranian briefs, is who represents Iran and on whom can the process documents be served. For the past 20 years the Shah's Government employed in the U.S. the law office of Marshall Leon Weill and Mahoney.

This relationship was terminated by Ayatollah Khomeini who had them replaced by a small Washington law firm of Abourezk, Shack and Mendenhall. It consists of six partners and their attraction for the new regime is probably that Mr. Abourezk, who is of Lebanese origin, is a member of the Senate and whose pro-Arab sympathies are well known. On the other hand, Iranian organisations are bound to experience some difficulties while the small law firm is getting organised to cope with the sudden expansion of business. It finds it difficult to acquire the co-operation of well-established business law firms since most of these are retained by banks or large corporations suing Iran.

To make matters worse the new legal representatives of Iran are reluctant to accept delivery of court papers and insist that a proper service can be made only through the State Department. As Iranian consulates in the embassy are also refusing service, a practical solution is difficult to find.

Service of documents represents a problem also for the new legal representatives of Iran trying to recover for the Islamic Republic no less than U.S.$56bn from the Shah. With the help of New York lawyers, O'Dwyer and Bernstein, they have served court papers on a great number of people ranging from hospital managers to the Secretary of State, Cyrus Vance, in an effort to reach the Shah while he was in New York. Whether the courts will accept that the papers reached him in this way remains uncertain.

The next important problem is the extent of sovereign immunity. This is provided under the Foreign Sovereign Immunities Act of 1976 and the question is, how far was it waived by the Economic and Consular Treaty concluded between Iran and the U.S.

Article 11/4 of the treaty lifts immunity from "taxation, suit execution of judgment or other liabilities," but Judge Kevin T. Duffy, who will be hearing many of the Iranian cases, takes a rather restrictive view of this waiver. In his opinion there is a distinction between pre-judgment and post-judgment attachments. An explicit waiver would be required for pre-judgment attachments as these are potentially more harassing, and in the judge's opinion the treaty does not contain such an explicit waiver. He accepted that an implied waiver of immunity would be sufficient for a post-judgment attachment, but none of the Iranian cases have yet reached that stage.

By contrast another judge, Robert W. Porter, held that Iran has no immunity from pre-judgment attachment in essentially commercial matters. A third view adopted by a Texas Court is that the immunity depends on the nature of the Iranian enterprise which is being sued.

One of the reasons why the American banks are so keen on obtaining security for the loans extended to Iran is that these loans are open to a constitutional objection. The constitution of Iran provides that no domestic or foreign loan may be taken by the Government unless approved by the Lower House of Parliament. But during the past decade no loan was subjected to parliamentary review and consequently no approvals were obtained for the many loans contracted during the period. This may present difficulties should it come to litigation, though one could probably argue with success that the agreements were binding on Iran even if the Government of the day overstepped its powers by signing the loans without parliamentary approval.

While this consideration concerns exclusively banks, the choice of law and arbitration clauses of contracts concluded by the Government of Iran and its agencies have a wider impact. Almost all such contracts provide that they should be governed by Iranian law and that any disputes should be settled either by Iranian courts or by arbitration in accordance with arbitration procedure laid down in the civil procedure code of Iran. Only if it could be shown that business law broke down in Iran to the extent that a foreign company was not able to obtain a fair hearing, could the U.S. courts be asked to step in. So far the courts have had no opportunity to take a stand on this issue.

The presidential freezing order has been made under the International Emergency Economic Powers Act of 1977 and this is almost identical with the Trading with the Enemy Act of 1917 as amended in 1933 and 1940. In contrast with the blocking made on earlier occasions, the Iranian freeze applies only to the property of the Government of Iran and agencies and businesses controlled by it, including the Central Bank of Iran, not to the property of individuals or non-governmental companies.

The most significant consequence of leaving private assets free is that the assets of the Shah and his family are not blocked. The freeze also applies, according to American law, to foreign branches or subsidiaries of U.S. banks and companies. Regulations make an unauthorised transaction null and void, and attach criminal penalties to violations.

The regulations prevent the acquisition of a lien in the blocked amounts by parties which succeeded in obtaining court awards against Iran or its agencies. Such judgements would have, therefore, merely a declaratory character and would not give the successful claimant control over blocked assets. Moreover the regulation does not allow banks to offset their claims out of loans and credits, for example, against blocked Iranian funds held by the banks in the U.S. An amendment to the regulation has, however, authorised branches and subsidiaries which U.S. banks and companies have in foreign countries to set off their claims against Iran by debiting any blocked accounts they hold.

The limitation of the freeze to dollar funds to the exclusion of asssets in other currencies, as well as the impossibility of domestic offset in the U.S. where most of the funds are located, obliges American banks to seek the attachment of Iranian equity holdings and other assets, for example pictures and sculptures on exhibition in the United States.

Exporters and service companies owed money by Iran or Iranian corporations, or with claims out of abandoned contracts, are in an even worse situation. In addition to the legal difficulties in obtaining security for their claims, they are haunted by the fear that energetic action on their part may reduce their prospects of resuming business with Iran when the dust has settled and political relations return to normal.

Diamond Edge is favoured

RACING

BY DOMINIC WIGAN

THERE IS rarely a large field for the John Bull Chase at Wincanton, and today only four take on Diamond Edge, who has excited considerable Cheltenham Gold Cup interest in the past 48 hours.

Diamond Edge, whose rivals include Chumson and Narribinni, has not raced since putting up a gritty performance in the Whitbread Gold Cup, where he beat Master Smudge. In the process, Diamond Edge gave trainer Fulke Walwyn his fifth win in the Sandown race.

If Diamond Edge is ready to do himself full justice he should prove another winning favourite of this race. If so, he will justify the confidence of those favouring him at Cheltenham on ante-post odds.

There is another meeting today at Southwell. Here I shall not be surprised to see the veteran Nicholas Nickleby II win the Market-Day Chase.

Nicholas Nickleby II beat Persian Frieze in a 3m 1f event at Towcester in early October. Since then he has met with mixed fortunes.

Last time out at Folkestone on November 15, Nicholas Nickleby II never looked hopeful. However, that was his fifth race within a short period. An eight-week break will see him returning fit and ready.

The lightly-weighted Barrow Chief looks the chief danger to Nicholas Nickleby II. This erratic performer won at Wolverhampton on December 27, beating Leeann Lad by 15 lengths. If in the right mood, Barrow Chief will probably make short work of this field. However, I feel it could be safer to side with the more reliable Nicholas Nickleby II.

The safest bet at Southwell strikes me as Barrow. He appeals far more than Davidoff in the opening event.

WINCANTON

1.00—Sergeant Pepper**
1.30—Aalco
2.00—Royal Charley
2.30—Diamond Edge*
3.00—Young Horatio
3.30—Search

SOUTHWELL

12.45—Barrow***
1.45—Nicholas Nickleby II
2.15—Antique Seeker
3.15—Smiling Cavalier

TV Radio

BBC 1

†Indicates programme in black and white

12.45 pm News. 1.00 Pebble Mill at One. 1.45 Heads and Tails. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Deputy Dawg. 4.25 Jackanory. 4.40 Screen Test. 5.00 John Craven's Newsround. 5.10 Blue Peter spends the day with Jackie Willmott, swimmer.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.55 Tomorrow's World looks forward into the 80s.
7.20 Top of the Pops.
7.55 The Circus World Championships.
9.00 News.
9.25 Play for Today.
10.50 Platform One.
11.20 News Headlines.
11.22 The Sky at Night.
11.42 Weather, Regional News.

All Regions as BBC1 except as follows:

Wales—5.55-6.20 pm Wales Today. 6.55-7.20 Heddiw. 11.42 News and Weather for Wales.

Scotland—12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 10.50-11.20 Current Account. 11.42 News and Weather for Scotland.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 6.55-7.20 Sportsweek. 11.42 News and Weather for Northern Ireland. 11.46-12.11 am Tomorrow's World looks forward into the 80s.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

11.00 am Play School (as BBC1 3.55 pm).
4.00-5.30 pm Open University.
†5.40 Flash Gordon Conquers the Universe.
6.00 Newsround Africa.
6.30 Chopper Trials: 1979 British Helicopter Championships.
7.00 Mid-Evening News.
7.10 Golf: Peter Alliss recalls two superb days in the 1979 season.
8.25 Newsweek.
9.00 M*A*S*H.
9.25 Man Alive (the business of slimming).
10.15 Richard Stilgoe takes an optimistic look at the week.
10.40 Nobel 1979: The Award Ceremony from Stockholm.
11.40 Late News.
11.55 Closedown, reading.

LONDON

9.30 am Cartoon Time. 9.40 Sacred Ground. 10.30 Cry of the Wild. 11.55 The Bubblies. 12.00 Topper's Tales. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus. 2.45 General Hospital. 3.45 Looks Familiar. 4.15 Children's Matinee: "The Mark of Zorro."

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 Wish You Were Here ...?
7.30 Bernie.
8.00 Armchair Thriller.
8.30 TV Eye.
9.00 Chief of Detectives.
10.00 News.
10.30 Chief of Detectives (continued).
12.10 am What the Papers Say.
12.25 Close: Richard Briers reads from "Hi!" by Norman Habel.

All IBA Regions as London except at the following times:

ANGLIA

9.30 am Who's Afraid of Opera? †10.00 Feature Film: "Heaven's Above" starring Peter Sellers. 11.45 Cartoon Time. 1.25 Anglia News. 2.45 Houseparty. 3.15 Superstar Profile (Liza Minnelli). 4.15 The Bubblies. 4.25 Rocket Robin Hood. 4.45 The Next Week Show. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 Survival. 12.10 am The Living Word.

ATV

9.45 am Untamed Frontiers. †10.10 Morning Cinema: "Madonna of the Seven Moons" starring Phyllis Calvert and Stewart Granger. 12.30 pm Gardening Today. 1.20 ATV Newsdesk. 4.15 Windows. 4.20 The Jetsons. 4.50 Project U.F.O. 6.00 ATV Today. 7.00 Emmerdale Farm. 12.10 am ATV Newsdesk.

BORDER

10.00 am Elephant Boy. 10.25 Untamed World. 10.55 Lucan. 11.45 Cartoons. 1.20 pm Border News. 2.45 Houseparty. 3.15 Out of Town. 4.15 Thursday Matinee: "Shell Game." 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 12.10 am Soap. 12.40 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News and What's on Where. 4.15 Project U.F.O. 5.15 Emmerdale Farm. 6.00 Report at Six. 7.00 Walking Westward. 10.28 Channel Late News. 11.15 Wildlife Cinema. 11.45 George Hamilton IV. 12.10 am News and weather in French.

GRAMPIAN

9.25 am First Thing. 9.30 Shakti. †10.25 Harold Lloyd's World of Comedy. 1.20 pm North News Headlines. 4.15 Little House on the Prairie. 5.10 The Electric Theatre Show. 5.40 Police News. 6.00 North Tonight. 7.00 Welcome to the Ceilidh. 11.20 Luke's Kingdom. 12.15 am Reflections. 12.20 North Late Night Headlines.

GRANADA

9.30 am Sesame Street. 10.25 Dynomutt, the Dog Wonder. 10.45 The Land. 11.05 The Beatles. 11.25 Little Vic. 11.45 A Handful of Songs. 1.20 pm Granada Reports. 4.15 Salvage. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 The Incredible Hulk. 12.25 am Bluey.

HTV

9.50 am Kum Kum. 10.15 "Tarzan and the Jungle Boy." 11.50 Larry the Lamb in Toytown. 1.20 pm Report West Headlines. 4.15 Spiderman. 4.45 Wyatt's Place. 5.15 Joblina Newsdesk. 5.20 Crossroads. 6.00 Report West. 7.00 Emmerdale Farm.

HTV Cymru/Wales—As HTV General Service except: 1.20 pm Penawdau Newyddion y Dydd. 1.25-1.30 Report Wales Headlines. 4.45 Ser. 5.15-5.20 Cartoontime. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Arena.

SCOTTISH

9.30 am Off The Beaten Track. 9.45 The Sloane Affair. 10.30 Cry of the Wild. 11.55 The Bubblies. 1.20 pm News and road and weather. 4.15 Little House on the Prairie. 5.15 Cartoon. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Report. 11.20 Late Call. 11.25 The Secret Policemen's Ball.

SOUTHERN

9.30 am Call It Macaroni. 9.55 Kum Kum. 10.20 Rolf Harris. 10.45 Solo One. 11.00 Little House on the Prairie. 1.20 pm Southern News. 2.45 Houseparty. 3.15 The Squirrels. 4.15 Project U.F.O. 5.15 Cartoon. 5.20 Crossroads. 6.00 Day by Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 12.10 am Southern News Extra. 12.15 What the Papers Say.

TYNE TEES

9.20 am The Good Word followed by North East News Headlines. 9.30 Space 1999. 10.20 Canadian Celebrity Concert: Al Martino. 11.15 Last of the Wild. 11.40 The Beatles. 1.20 pm North East News and Lookaround. 4.15 Fangface. 4.45 The Life and Times of Grizzly Adams. 6.00 North East News Headlines. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 12.15 am North East News Headlines.

ULSTER

10.35 am Spiderman. 10.55 Tarzan. 11.45 Sean the Leprechaun. 1.20 pm Lunchtime. 4.13 Ulster News Headlines. 4.15 Little House on the Prairie. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 10.29 Ulster weather. 12.10 am Bedtime.

WESTWARD

9.40 am The Lost Island. 10.05 Cup Glory. 11.35 Call It Macaroni. 12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.15 Project U.F.O. 5.15 Emmerdale Farm. 6.00 Westward Diary. 7.00 Walking Westward. 10.28 Westward Late News. 12.10 am West Country weather and shipping forecast.

YORKSHIRE

9.30 am Heritage. 10.20 The Secret Lives of Waldo Kitty. 10.45 Call It Macaroni. 11.10 Cash and Company. 1.20 pm Calendar News. 4.15 "Salvage One" starring Andy Griffith. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 12.10 am The Mary Tyler Moore Show.

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	200kHz/1500m & 92.95vhf	1485kHz, 206m & 94.9vhf BBC Radio London:
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	4	1215kHz/247m & 90-92.5vhf stereo	Capital Radio: 1548kHz, 194m & 95.8vhf. London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

RADIO 2

RADIO 3

RADIO 4

The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre (S). 4.15 Any Answers? 4.45 Short Story. 5.00 PM: News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Lord Peter Wimsey. 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Pablo Casals 1876-1973 as cellist, conductor and composer Concert, part 1: Beethoven,

BBC Radio London

London Broadcasting

Capital Radio

F.T. CROSSWORD PUZZLE No. 4,170

ACROSS

1 Shoot twice, but it shouldn't do much damage (3-3)
4 Rib and a bit of bone in cage for game (8)
9 Stay in for a change and have some sense (6)
10 Droop in front of European standard-bearer (8)
12 Apple and another fruit mother takes in (8)
13 Politician in Ireland has dominions (6)
15 Measure door put back (4)
16 Regret about the communication system (7)
20 Leave and cast off the young bird (7)
21 Melt us in iron (4)
25 Recede about judicial decision (6)
26 Money sent round as deposit (8)
28 Observer upsets lone rook (6-2)
29 Entreaty from a soft ring (6)
30 Reveal record and fail to win (8)
31 Answer about article in second performance (6)

DOWN

1 Permit to transfer wine (8)
2 Write a label on a geometric figure (8)
3 A blunt American is to some extent wild (6)
6 Illegal member of two unions? (8)
7 A fellow is dandy (6)
8 Team the Spanish even must follow (6)
11 Niggardly learner is in an unhappy state (7)
14 From under which the favoured are served (7)
17 Prophesy for eastern count (8)
18 Dismal but it could be real fun about each leader (8)
19 People agree intellectually (8)
22 Bad tot was in front (6)
23 A hybrid, but this clue isn't (6)
24 Plain ordinary and silly (6)
27 Plant doctor on ship (4)

Solution to Puzzle No. 4,169

THE ARTS

Record Review

Shostakovich, Taneyev, Chaikovsky

by ANDREW CLEMENTS

Shostakovich: Lady Macbeth of Mtsensk. Vishnevskaya, Gedda, Petkov, London Philharmonic, Rostropovich. EMI SLS 5157 (3 records) £15.95

Shostakovich: Symphony No. 4. London Philharmonic, Haitink. Decca SXL 6927, £5.25 (also available on cassette)

Taneyev: The Oresteia. Belorussian State Opera, Kolomijzeva. Deutsche Grammophon 2709 097 (3 records), £15.17

Chaikovsky: The Six Symphonies. Berlin Philharmonic, Von Karajan. Deutsche Grammophon 2740 219 (6 records), £22.50 (also available on cassette)

It would make for a satisfying completeness to be able to report that *Lady Macbeth of Mtsensk* is presented in this first recording as the flawless operatic masterpiece Shostakovich's admirers would have it be, the restored entity of which the revisionary *Katerina Ismailova* has previously represented only a shadow. Such a wholehearted declaration must be withheld, but the performance at least is a triumph. Rostropovich's direction and Galina Vishnevskaya's assumption of the role of the tragic heroine Katerina Ismailova are both landmarks in their respective contributions to the gramophone; indeed, it's difficult to think of Miss Vishnevskaya giving a more satisfying interpretation elsewhere on record. The remainder of the cast, with the partial exception of a rather detached Nicolai Gedda as the elemental Sergey, were evidently swept along by the conductor's enormous enthusiasm. Shostakovich asked Rostropovich to conduct *Lady Macbeth*, and so the performance comes with at least a posthumous *imprimatur*.

The opera was written in 1930-1932 and first performed two years later; the surrounding scandal encouraged productions in western Europe and America, but in the Soviet Union official rejection followed in 1936. A couple of post-war productions—in Venice and Dusseldorf—sustained *Lady Macbeth* until its reincarnation as *Katerina Ismailova* in Moscow in 1962. Comparison of the original score with the revision—*Katerina Ismailova* was produced at Covent Garden in 1963 but not subsequently revived, and a Russian recording released here in 1976—shows the changes in the later version to be generally of perspective rather than content. The erotic element of the original is more blatant; both scenario and musical interludes were much more explicit and the libretto was bowdlerised by the composer, presumably under instruction. *Lady Macbeth* too sets its heroine more securely in her context. Shostakovich's revision of some of the musical interludes and the vocal lines (adjustments apparently carried out in the later 1950s) turned Katerina into a much more conventional lyrical heroine in the 19th century mould, whose noble downfall is the result of her environment. The original Lady Macbeth kicks against the consuming boredom of Russian life and is overwhelmed by its violent undertow; her character becomes merely another victim of an inflexible, totalitarian system.

Yet although the original presents a more sharply focused, satiric libretto from Leskov's story, it nevertheless raises new problems of musical coherence and integration. In *Katerina Ismailova* Shostakovich toned down the more gratuitous grotesqueries in the score, and how ever much one deplores the necessity for the revision, it must be admitted that the final version is more grateful on the ear, even if its impact is thereby blunted. An evening-long opera cannot be built satisfactorily out of a series of pungent moments, whatever their force. The prodigious workings of the young composer's mind throw up some thrilling moments — the murder of Katerina's husband, the discovery of his body, the despairing realisation of Sergey's treachery and Katerina's subsequent suicide — but there is too little sense of how these should fit into a convincing dramatic scheme.

A new recording of Shostakovich's Fourth Symphony forms a useful appendage to the opera. The symphony was written immediately after *Lady Macbeth* and withdrawn by the composer at the time of the most virulent attacks on the opera in *Pravda*. It did not reach the West until 1962. The most ambitious of the early symphonies, both formally and emotionally, it presents in a raw state many of the gestures refined and packaged in the Fifth, as well as suggesting areas of expression (in terms of dissonance and extended tonality) which Shostakovich subsequently chose to ignore. The debt to Mahler is enormous, but once again there is a problem of continuity. Two rambling movements enclose a grim scherzo; the first loses its way several times in Haitink's performance, though that may partly be the result of his unduly measured tempi and restraint. Ormandy's 1960s disc of the symphony remains preferable, and gives more idea of its exuberance and invention.

Taneyev's operative working up of the Aeschylus trilogy is likely to remain a half-forgotten curiosity for all its incidental qualities. The action and dialogue of the dramas are pared down to a minimum, Taneyev's natural nationalism is very successfully suppressed. The obvious Russian-ness of the soloists, chorus and orchestra—a lively performance, in a serviceable if rather raw recording — does not intrude too much into the proceedings. The opera deserves at least one hearing, if only to discover how a Russian composer went about tackling the most epic of classical stories; it is in many ways a rather endearing work, with real moments of high-flown inspiration, particularly in the third part, *The Eumenides*.

Herbert Von Karajan's ventures into the Russian repertory have always stuck firmly to the well-travelled paths, so much so that the present set of Chaikovsky symphonies includes the first three symphonies for the first time, and *Manfred* (a work lacking an entirely successful recording) is still excluded. The records of nos. 4, 5 and 6 have been available for two years or so; brought together now they do not constitute a very revealing approach to Chaikovsky. Much ultra-refinement of course, and a sound of enormous dynamic range, but too many important points of emphasis smoothed over in the search for an immaculate lyrical flow. The first three symphonies are more rewarding (no. 1 especially for its shaping of the first movement's detail), more convincingly spontaneous. The third, the "Polish," sounds brassy and hectoring even under Karajan's blanket of sonority, while the second suffers by comparison with other recent versions, notably Haitink's. Karajan's performances of the first and sixth are probably the best available, but as a whole, the set should be viewed with circumspection.

Piccola Scala, Milan

Albert Herring

by MAX LOPPERT

On the face of it, *Albert Herring* is the most parochial of all Britten's operas, the least likely to survive the sea-change of performance in another language, by singers and conductors probably unfamiliar with English Opera Group style and traditions. The new production, first seen last month, at the Piccola Scala by Virginio Puecher, conducted by Piero Bellugi, was the first in Italy; it was sung in the new Italian translation of Alfio Gozzi and Vittorio Patané. I went along to the second performance with certain firmly fixed expectations, not to say forebodings — and found most of them loosened by an enjoyable and spirited performance.

Reasonably enough, in view of the difficulty of teaching most Mediterranean performers to ape turn-of-the-century English manners successfully, Loxford became, in the visual settings and in the behaviour of its inhabitants, an Italian *piccolo paese*. Strings of garlic were seen in the Herring greengrocer's shop; Mr. Upfold was a *podestà* with waxed moustaches, and Supt. Budd a *carabiniere* with a cigarette holder; Florence was played as a curvaceous scatter-brain nursing a hidden powder compact; there was much hand-kissing on all sides. These and other adaptations were not outrageous, though to the visitor from Britain they meant a series of slight tensions between words, actions and music — proud Handelian flourishes hardly described the rather frail, headache-suffering Lady Billows played by Gianna Amato.

What was wrong was the excessively elaborate tone of farce too often adopted, notably in the third act, which took the work rather too close to the wrong kind of Rossini comedy production without finding in the music the proper justification. A lack of precise aim on the part of the producer was implied in such things as Sid's swigging from a hip flask in full view of the May Day company, or the general failure, even of Miss Wordsworth herself, to pronounce the schoolmistress's name — or, indeed, most of the names — correctly.

But then, for many people *Albert Herring* poses in any case an inherent problem, that of the disconcerting gap that stretches between the Ealing comedy surface, all spiky, jokey brilliance and stereotyped characterisation, and the twilight atmosphere, cryptically redolent of nocturnal sensuousness and dark secret beauty, of the music surrounding Albert's central monologue. What was enjoyable was the way the music seemed to fill out to support voices of Italianate production. I had experienced the effect once before, in a performance of *The Turn of the Screw* (or *Il giro di vite*, as it becomes) at Venice.

Here again, the effect was to demonstrate how much broad Verdian lyricism, "cured" by Purcell's example and by Britten's own peculiar genius for finding musical shapes for the English language, flows along the vocal lines. If Mr. Gedge was permitted to make a very melting moment out of "Is Albert virtuous?" ("In Albert c'è la virtù?"), reducing the parody and sweetening the sentiment, the sound was very beautiful all the same. This was the most mellifluous *Albert Herring* I have yet encountered; voice for voice, the cast may not have proclaimed any marked superiority over recent British performances, but the way of moving and combining the voices invited a new, disarming, and not inappropriate kind of pleasure in the work.

Among the performers, of whom only one, Federico Davià (Budd), will be in any way a familiar name to most British readers, there was no weak link. The title role was taken by Edoardo Gimenez, a Rossini tenor of small stature and a quick comic personality to remove any excess of the self-pitying pathos lavished on the role by some of its English interpreters. In fact, there was hardly any pathos at all, which was a fault on the other side; but Mr. Gimenez' singing, with its clear line and fine, smoky tone, projected the music with admirable grace. Another player deserves singling out: as Sid the baritone Arturo Testa, whose elegantly smooth way with gesture, word, and the unfolding of a phrase—the duet with Nancy became a ravishing little *stornello*—put one in mind of a young Bruscantini. The voice, not large, and not inherently remarkable, is used with a special skill; this is a name of which Glyndebourne could take note.

Scene from the first Act

Wigmore Hall

James Bowman

by SHANE FLETCHER

Londoners have not had many chances to hear James Bowman's singing in the last year or so and Tuesday night's recital made an interesting comparison with his other recent appearance here, with the Handel Opera Society. As Handel's Scipio, Mr. Bowman's dramatic style suited the strong lines of the music. The first half of Tuesday's recital was devoted to Elizabethan and Jacobean music — songs by John Danyel, Philip Rosseter and Thomas Campion. At times, especially in the slower songs, the expressive quality of James Bowman's singing upset the line, but the text was never allowed to be bland or characterless. Robert Spencer provided sympathetic accompaniment and played lute music of the period, including a Pavan and Galliard by Anthony Holborne — neat and stylish performances.

More English music, but of the 20th century, dominated the second half of the recital. Richard Rodney Bennett's *Time's Whiter Series* was written for James Bowman six years ago; it is made up of settings of poems and prose about snow. The writing is always atmospheric, even in a prose description of the formation of a snowflake. One of the poems is from Edith Sitwell's *Façade* collection, "Bells of Grey Crystal," where the line "Lonely are these and lonely am I" becomes the centrepiece of the work. The settings are interspersed with solos for guitar. (Though the piece was originally intended for lute accompaniment, Forbes Henderson's guitar playing balanced the voice well.) It allowed James Bowman his full voice for the first time in the evening —once found, it came across as a powerful and telling instrument.

The full range of his voice was exploited more fully by Arthur Wills's *Three Elizabethan Love Songs*, receiving their first performance. The settings are light with their uncertain major/minor harmonies, though the lightness is never invaded by the melancholy that the late 16th-century composers were unable to escape.

Perhaps it was an error of judgment to end the recital with folk songs. The countertenor voice is strongly associated with art music: falsetto singing detaches the singer from his usual speaking voice. Folk song, on the other band, is, perhaps, the most artless of music—almost an extension of the spoken voice. Robert Spencer's arrangements for lute were appropriately unobtrusive. Nevertheless, a welcome return for James Bowman, whose care for any text has much to teach our youngest countertenors.

'To Hear the Sea-Maid's Music,' by Arthur Rackham, 1908, illustration to 'A Midsummer Night's Dream'

Bristol City Art Gallery

Arthur Rackham

by BRIONY LLEWELLYN

Arthur Rackham's sinuous illustrations to children's books have long been popular, but since his death in 1939 no exhibition in this country has made a serious examination of his work. To rectify this shortcoming, the Sheffield City Art Galleries has organised an exhibition of his illustrations, drawings and water colours, showing it first at the Graves, at the Bristol City Art Gallery, from Saturday until February 10, and during March and April at the Victoria and Albert Museum, London.

Rackham began his career as an illustrator of magazines such as *Scraps* and *Pall Mall Budget*. Gradually, encouraged by his wife and influenced by the intricacies of Gothic art, he developed a style whose mingling of grace and the grotesque was acclaimed by a wider audience. His fame rests on the gnomes, fairies, witches and gnarled anthropomorphic trees which people his illustrations to Rip Van Winkle, A Midsummer Night's Dream, Peter Pan in Kensington Gardens, The Sleeping Beauty, and the many other tales which he published between 1905 and 1920.

A more intimate side to his art is seen in the landscapes painted around his home and elsewhere, in his bucolic figure and flower compositions, and in the illustrations which he was at last able to do towards the end of his life for The Wind in the Willows. A small but useful catalogue by James Hamilton accompanies the exhibition.

Dance Umbrella '80 at Riverside

Riverside Studios, W6, will be the main venue in Britain's largest international festival of contemporary dance, *Dance Umbrella '80*, which will take place in venues throughout the country from January 21-March 22.

In five weeks of events at Riverside, leading soloists and companies from Britain will perform alongside those from the U.S., Canada and Holland. The programme will feature the widest range of events for dance enthusiasts including performances, workshops, master classes, seminars and films.

London Theatre Critics' Awards

Warren Mitchell has been named Best Actor in the Plays and Players London Theatre Critics' Awards for his portrayal of Willie Loman in the National Theatre production of Miller's *Death of a Salesman*.

Jane Lapotaire claims the best actress award for her interpretation of *Piaf* in the RSC production.

The best new musical is *Chicago* and the best new play *Amadeus* by Peter Shaffer. The new category of best new comedy produced a tie between *Joking Apart* and *A Day in Hollywood, A Night in the Ukraine*.

Best actor and actress in a supporting role are Carmen du Sautoy and Richard Griffiths both in *Once in a Lifetime*. Most promising actor and actress are Alfred Molina in *Accidental Death of an Anarchist* and Lynsey Baxter in *The Lady from the Sea*.

Most promising new playwright is Victoria Wood (*Talent*); best production director Trevor Nunn (*Once in a Lifetime*); best production designer William Dudley (*Undiscovered Country*).

Purcell Room

PLG Young Artists

by DOMINIC GILL

The second concert of the PLG's series on Tuesday presented two remarkable young musicians already embarked (young as they are) on the start of successful careers. The cellist Steven Isserlis (b. 1958) will be known by now to some Aldeburgh Festival and Scottish concert-goers: and his introduction to much wider audiences cannot be far away. Everything he played he galvanised with his energy and his lively, unselfconscious conviction: even in the rather dry-winded solo Toccata of Robert Saxton (receiving its London premiere). 13 minutes of dispersed and wistful musing, he found bright colours to play with, and sharp edges to give shape to the line.

With Peter Evans at the piano, he also gave a splendid account of Shostakovich's little Suite made from his score to the film *The Gadfly* (nicely misprinted as the *Godfly* in our programme—a movie about the chief of the Japanese tempura-makers' Mafia?); and a fiercely drawn, fiercely devotional reading of Dallapiccola's solo *Ciaccona, Intermezzo and Adagio*, essay in muted colour and angry lament.

The oboist Melinda Maxwell (b. 1953) shared the programme with Mr. Isserlis, following a very accomplished account of Berio's *Sequenza VII* with a new work for oboe and piano, *Music for Mel and Nova*, by Simon Bainbridge—the oboe addresses itself in patterns of contrasting rhythm to a jingling piano accompaniment: after a while, a conversation develops, and eventually the pair speak urgently in unison—a short, attractive piece that quietly justified its second hearing. Miss Maxwell and Mr. Isserlis came together in a finale of Gordon Crosse's *A Little Epiphany* for oboe and cello (1977)—for all its apparently casual lineage (an afterthought born of the earlier *Epiphany Variations* for orchestra), one of Crosse's most delightful and inventive chamber works, every measure cunningly weighted, given here by the duo with fine precision and good humour. An exhilarating evening: high standard indeed for the rest of the PLG's week to match.

Elizabeth Hall

Orlando Quartet

by DAVID MURRAY

The Orlando String Quartet is, I suppose, quasi-Dutch—resident in Holland, but natives respectively of Hungary, Germany, Austria and Romania. No national colour of the wide choice available marks their playing; they are simply a closely matched, strictly musicianly team. They do not even have individual foibles, though their leader favours a very fast vibrato, and their violist boasts a succulent tone which rose to the surface at appropriate points.

They began with Beethoven's C minor Quartet, op. 18 no 4: a carefully tight performance, with less *Sturm und Drang* rumbling than usual. Nuances were faithfully observed, but on a modest dynamic scale — the quartet has a lean collective sound. Bartók's Quartet no. 2 (in place of the announced no. 3, which may well have disappointed some concertgoers) grew progressively stronger; the main weight was found not in the violent middle movement, but in the closing Lento, measured and honestly moving. Its broken polyphony was touched in with speaking delicacy.

The largest work was the third of Beethoven's "Rasoumovsky" Quartets, the one in C. Here the Orlando Quartet expanded its scale: if the Allegro vivace was a trifle too slippery and fluent to sound as big-boned as it can do, it had plenty of resilient power (though they reached the recapitulation without much drama). They unfolded the Andante con moto over an absolutely unyielding beat, and it acquired remarkable emotional force thereby. The fugal Finale was brilliant without qualification—I cannot recall a performance so clean, true and dashing, and without any pause for breath beyond what Beethoven prescribes. Iron nerve is clearly among the many virtues of this severely impressive team.

Peter Nichols play for the Globe

Born In The Gardens, a new play by Peter Nichols will open at the Globe Theatre on Jan. 23 with previews from Jan. 17.

Beryl Reid heads the cast which includes Barry Foster, Peter Bowles and Jan Waters. Clifford Williams is the director, designer is John Gunter with lighting by Mark Pritchard.

Born In The Gardens is presented by Eddie Kulukundis, Archie Stirling, John Wallbank and Howard Panter and was seen at the Bristol Old Vic in September.

Songbook, the award-winning musical, will end its run at the Globe on Saturday, Jan. 12.

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Thursday January 10 1980

The status of engineers

IT HAS LONG been recognised that one of the reasons for the UK's relatively poor economic performance is that too few of the country's ablest people have been attracted to careers in manufacturing industry. The activities of designing, making and selling useful artifacts are not accorded the same status and respect as they are in West Germany and other parts of Continental Europe. Although attempts have been made to promote the concept of management as a profession, the effect may have been to put too much weight on general administrative ability at the expense of the technical skills which are at the heart of the manufacturing process.

Shortage

The Finniston Committee of Inquiry into the engineering profession, whose report was published yesterday, found on its visits to British companies "a felt shortage of able engineers with the personal drive and flair for the leadership of manufacturing enterprises. Industrial leaders have more often been trained in finance and general administration than in engineering. Priorities and values of these backgrounds have thus set the tenor of the British management culture."

The senior managers of German companies tend to emerge through the engineering function. According to the Finniston report, about 60 per cent of Board members of German companies have engineering backgrounds.

The British problem is compounded by the fact that the training of engineers in schools and universities is often inappropriate to the needs of industry. The Finniston Committee reports employers' complaints that the education of engineers is unduly scientific and theoretical; that newly graduated engineers lack awareness of real life constraints to text-book solutions; that they are oriented too much towards research and development and that they are not interested in working in production or marketing; and that they lack understanding of what makes for the commercial success or failure of their employing companies.

Again the contrast with Germany is instructive. For the "diploma" engineer (Dipl Ing) the first three years of the five-year course are largely devoted to engineering science, but the last two are concerned with engineering practice in particular disciplines. The emphasis on practice is facilitated by the strong links between the academic institutions and industry and by the substantial industrial experience of engineering professors. The weakness of the British system, Finniston suggests, reflects the narrow conception of engineering as a branch of applied science and the failure to encourage the development of the wider skills and outlook required of engineers in industry. "Employers have often taken the attitude that few engineers are properly equipped to take on broader managerial responsibilities and have employed them instead as providers of technical services, thereby closing the vicious circle."

To break out of the vicious circle Finniston proposes a radical change in the British approach to the "formation" of engineers, a term which covers the training received in the working environment as well as at universities. The report outlines three routes to the status of registered engineer, all of which involve a combination of academic work, leading to a degree or other qualification, and monitored experience in industry. The three "formation packages" would be accredited by a new Engineering Authority, which would be responsible for the statutory registration of engineers. The Authority would also have a wider remit to ensure the continuing supply and best use of engineering manpower and in general to act as an "engine for change" in promoting the interests of engineering throughout the economy.

Universities

These recommendations are important and deserve the widest possible discussion. That an improvement is needed in the supply, quality and use of engineers is undeniable. Major changes are required in the nature of the training provided by universities and other institutions of higher education; collaboration between these institutions and industrial companies needs to be very much closer. One of the main tasks of the new Engineering Authority, if it is set up, will be to encourage and promote this collaboration, not to prescribe in detail the form it should take.

EEC funds for Britain

THE LAST few weeks have seen a steady flow of announcements of EEC financial benefits for Britain. The latest, and most dramatic is yesterday's confirmation that Community loans totalling almost £700m will be granted to help finance the Drax B coal-fired power station and the new Selby coal mine both in Yorkshire. But there have also been a number of similar, if smaller, allocations to the UK. Last week an award of £8m was announced for the re-training and re-housing of steel-workers, a £3.3m loan for industrial projects from the European Investment Bank came just before Christmas, and this week the Commission pointed out that the latest batch of grants from the Regional Fund (totalling over £98m) constituted the largest single slice the UK has received from the Fund since its creation in 1975.

Imported oil

On the face of it, there is no particular reason why the UK should not be receiving grants and loans of this order from Brussels. EIB loans, Regional Fund grants and finance from Coal and Steel Community funds are all part of the run-of-the-mill operations of the Community. If the Commission wants to lend Britain £700m to promote the use of coal, that is a logical consequence of the Community's avowed determination to reduce its dependence on imported oil as a source of energy

It is difficult, however, to interpret these repeated manifestations of financial largesse as sheer coincidence at a time when the UK is struggling to reduce its £1bn budgetary deficit with the Community. Sir Ian Gilmour, the Deputy Foreign Secretary, and Sir Geoffrey Howe, the Chancellor of the Exchequer, have both been launched into European orbit in a new, if somewhat gentler, campaign to convince Britain's partners that the country simply cannot afford the current budgetary cost of EEC membership. The Government is now making it clear that it is concentrating on increasing Britain's receipts from Brussels as a way of settling the budgetary argument—apparently acknowledging that the £350m offered at November's Dublin summit is the most that can be achieved on the contribution side of the equation.

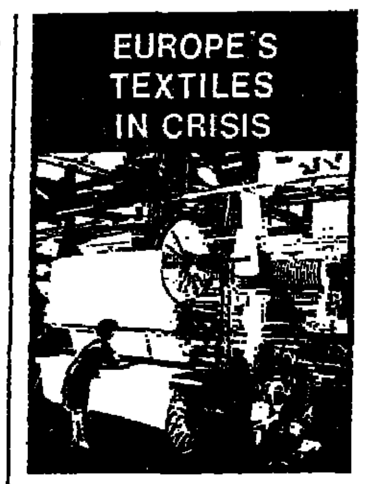
The Commission presumably hopes that by flourishing large sums of money it can help to smooth the way to a compromise solution. It should help the UK Government if it can point to concrete evidence of substantial financial assistance from Brussels. There is no doubt that loans such as yesterday's £700m are useful. Community loans to public bodies in the UK are incorporated in the country's reserves figures.

If, like the EIB loans, they are at subsidised interest rates, they also provide a substitute for money that might have had to be borrowed at greater cost.

It would be churlish not to welcome such financial support. Nor should its significance as a political manifestation of Community solidarity be downplayed. Such loans may be helpful to the Government psychologically in presenting whatever compromise is finally reached on the budget. But they are not a direct factor in the budgetary equation that produces the £1bn British deficit. That is recorded on the current, not the capital account. The only, small, dent the loans make in the deficit is caused by the figure that represents interest rate subsidisation.

Broad balance

The Government's priority must continue to be to reach an acceptable compromise on the budget that it can sell to UK public opinion. It has not been helped by the European Parliament's rejection of the Community's 1980 budget, which means that substantial extra funds for Britain are for the time being difficult, if not impossible, to find. "Broad balance" in the financial year 1980-81, never a realistic target, looks more and more like a will-o'-the-wisp. But if spectacular loans like yesterday's are to become regular events in the future, they will help the Government both politically and economically.



Half of Europe's textile jobs at risk in 1980s

BY GILES MERRITT IN BRUSSELS

THE SIMPLE sums scribbled out on the back of an envelope by a Paris-based textile industry economist are the crux of the problem facing Europe's textile producers. Rather like Mr. Micawber's terse assessment of his finances—"result, misery"—the bottom line makes depressing reading.

For the spate of factory closures that have been making headlines in the UK and Italy in recent months look to be no more than an unpleasant foretaste of worse to come. Many of those collapses are being caused by the flooding of those two markets with artificially low-priced man-made fibres that result from cheaper energy in the U.S., but the underlying trouble is that the structure of much of the European textile industry has become too shaky to withstand a real push.

The rough calculation is that for the next two years the EEC textiles industry will decline gently but inexorably. Thanks to the present five-year Multi-Fibre Arrangement (MFA) international textile trading deal that expires end-1982, guaranteed penetration of cheaper imports from outside the EEC will increase at a yearly minimum of 1.92 per cent in a Common Market where demand for textiles will grow by 1-1.5 per cent annually. Europe's output must therefore drop by at least 0.42-0.92 per cent during each of those two years, and possibly by a good deal more.

By the mid-1980s, though, that sorry state of affairs is likely to look like a heyday. The chances of a 1983-87 MFA that is as protectionist as the present agreement seem slim. Pressure from developing countries for markets for their own textile industries, which are labour intensive and give a valuable boost to an unsophisticated economy, is becoming increasingly hard to resist. European analysts now reckon that by 1985 as much as 25 per cent of all EEC textile activity will have been "transferred" elsewhere and that 50 per cent of all clothing manufacture will have been suppressed by imports.

These stark figures give little impression of the human scale of the crisis. During the coming decade the decline of textile-related industries will cost several million European workers their jobs. And in addition to raising fundamental questions about the EEC's economic relationships with the world's developing countries, the situation is certain to unleash a political furore in most member states.

So far, the textiles industry has not enjoyed the high political profile of Europe's two other major overcapacity industries—steel and shipbuilding. A number of factors have blurred the picture; notably the fact that many of the 5,000-plus sizeable textile producers in the EEC that have closed during the 1970s had payrolls of only 250-500, with a high proportion of women employees. Even so, as many as 1m textile and clothing jobs have already disappeared in the Nine during that time with considerably less drama and controversy than has surrounded the suppression of about an eighth of that number of jobs in the EEC steel industry.

The lack of political clout stems in large part from the fact that there is no European textile industry as such. In each major EEC country the sector is fragmented into upwards of a dozen mini-industries such as knitting or dyeing, each of which jealously guards as much autonomy as it can. Yet at the same time the "textile chain" runs from High Street boutiques through to a man-made fibres industry that accounts for 25 per cent of all petrochemical sales in the Common Market.

The effect of this fragmentation is twofold. First, it has made it well nigh impossible for any master plan such as the European Commission's price and delivery disciplines for the more compact steel industry to be drawn up and applied to textiles. Second, and in apparent contradiction to the first point, it means that textile mills cannot be allowed by EEC governments to run down without a serious ripple effect hitting employment all the way up and down the textile chain.

If the textile industries of Western Europe are to survive at all, however, it is now widely agreed that they must shed jobs on an alarming scale. It is not easy to calculate exactly how many people are presently employed in the Community's textile-related industries because of the many self-employed outworkers who help make up the garment industry. In Italy alone the number of outworkers is reckoned at almost 500,000. But many economists are agreed on a conservative estimate of 3.5m-4m people, and it has been said that the livelihood of one EEC citizen in eight depends on textiles.

Streamlining problems

To streamline the sector into a state where it regains its international competitiveness it is generally accepted that textiles employment must at least be halved during the first half of the 1980s. That is to say that up to 2m people directly employed in the industry could swell the EEC's existing dole queue of 6.5m, with others from secondary and service industries that rely on textiles joining them. Nor will payroll pruning of that order have an immediate effect on the industry's profit levels, for the job cuts must be accompanied by even more determined investment in new technology and by a radical reorganisation of the industry's structure.

The size and shape of the companies that make up the European textiles industry is emerging as the basic problem. While EEC producers complain loudest about imports from low-wage developing economies—which to the tune of about 40 per cent in fact means Hong Kong, Taiwan and South Korea—that pressure is arguably less significant than the threat posed by mass production in Comecon countries and the U.S.

The average unit size of companies producing textiles in Europe is currently just a tenth of the U.S. average. In spite of the widely held assumption that there is a technology gap between the U.S. and Europe, the truth is that the same advanced equipment is available to both but that often only U.S. companies are of a size to use it. Ironically, it is the still dominant European textile equipment industry that supplies such machinery.

Mass producers clearly have an accelerating price advantage, and in sectors like carpets American mill costs are an unbeatable 25-30 per cent lower than in Europe. In international terms, EEC textiles and clothing producers are caught between the pincers of U.S. and Eastern European economies of scale and the low wages of the Third World. To compete with both, the wage content of items produced in Europe must drop from the present level of around 35-40 per cent to 10-15 per cent. A programme of EEC-wide mergers synchronised with closures that would yield complementary manufacturing operations across the Community is urged by some industry experts.

Reorganising the framework of the European industry would nevertheless be a massive undertaking, and one for which there is no central authority. The European Commission is effectively limited to playing a policeman's role, for its powers under the Rome Treaty authorise it to ensure that the competition laws are not broken by cartels' or corporations' abuse of a dominant market position. Rather more positively, it is bent on preventing member governments from becoming enmeshed in a beggar-my-neighbour game of subsidising their ailing textile sectors at the expense of other EEC competitors. But if the Brussels Commission seems to be ducking the issue, it must be said that it is at the textile industry's behest. A year ago it held hearings as a step toward developing a strategy and felt itself to have been openly snubbed by participants who refused to divulge information.

The industry's answer to the gathering crisis has centred on demands for tighter import controls. The EEC's plethora of trade associations continue to insist that the solution to their members' problems is the blocking of Community markets to outside producers. Commission officials, who often must bear in mind the broader context of agreements such as Lomé that the developing countries find unsatisfactory, are often branded by textile producers as advocates of selling-out the European industry to foreign competitors.

The textile industry's resentment is understandable, as the Commission's policies have made the EEC the world's most open market for textiles. Ten years ago the balance of trade in textiles was in the EEC's favour, exports continued to outweigh imports. The relaxed approach engendered by a European textile trade that had during the 1960s grown several percentage points faster every year than GNP resulted in the first MFA of 1973-77 that allowed low-wage producers to increase their sales to the EEC by a yearly 25 per cent during most of that period.

Now Italy spends more on importing textiles than motor vehicles, France faces losing over half its domestic textile market to imports and the trade balance for the Nine has moved irretrievably into deficit.

There remain rather more than 30,000 textile-related companies in the Community, together with a man-made fibres industry which although almost whole has been weakened by accumulated losses since 1975 of around $3bn and a market outlook that suggests that in 1981 it will be operating at only 70 per cent of present capacity. The problem is no longer how to save the industry but what to save of it.

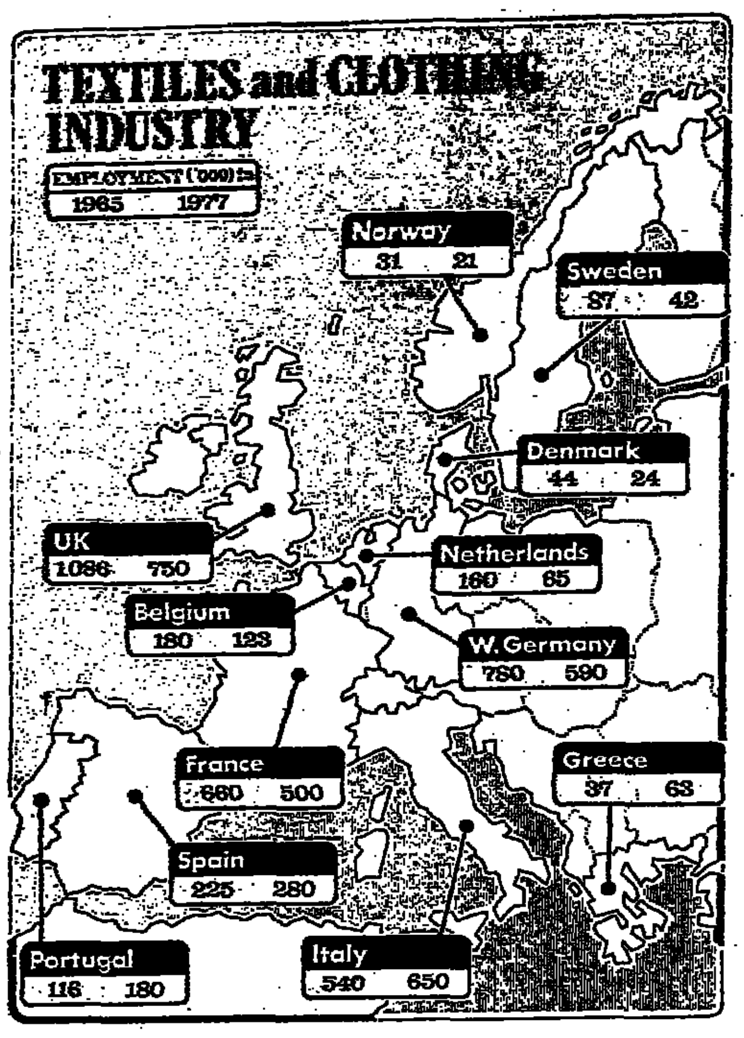
To allow the industry to be "restructured" by market forces is one solution, and its advocates point out that recent years have seen textile manufacturing move steadily south through the EEC area towards the new Mediterranean producers without serious disruptions. Redundant textile workers in Denmark's almost defunct industry might not agree with that, but in any case there is a more powerful argument against a passive policy.

The consequence of *laissez-faire* is *laissez-aller*, and the textiles industry is so constructed that not only the weakest companies would be weeded out by market forces. Tight credit policies operated by the hard-pressed synthetic fibres giants have hit downstream producers fairly indiscriminately. At the same time, buoyant sectors can suffer rapid reverses, so that the polyester trade that had confounded Jeremiahs by growing at 10 per cent a year and the Italian acrylic knitwear trade that has been the bane of its EEC competitors are now both reeling from imports of fibres made with cheap U.S. feedstock.

The deciding factor that will no doubt shape and select the European textile industry that survives is politics. Fragmented as the industry is, it is geographically concentrated. In key areas such as North West England, Northern Ireland, Northern France, the Lyons region and central and southern Italy, to name but a few, textile votes are decisive. Indeed, it has been reckoned that there are enough marginal or vulnerable constituencies in the gift of potentially disaffected textile workers for Europe's political maps to be sharply redrawn over the coming difficult years.

● A series of articles starting tomorrow on the European Page will examine aspects of Europe's textiles industry.

Mr. Leonard Regan, President of the British Textiles Confederation: "The pussy-footing in Brussels must stop The American invasion of the UK market for man-made fibres and products made from them has reached intolerable heights."



Viscount Etienne Davignon, EEC Industry Commissioner: Between 1973 and 1976 "15 per cent more or less of textile employment was lost (to the EEC) . . . and ½m people is not a statistic, it is a tragedy. And a human tragedy."

MEN AND MATTERS

Floating idea takes shape

While the City jet-set are likely soon to have to make do with Biggin Hill as their nearest landing strip, the growing number of helicopter enthusiasts should by June be able to step off a floating landing pad a stone's throw from Blackfriars station.

Despite the misgivings of the City Corporation, permission has been granted—with a number of *caveats*—for a "helistop" on two converted barges between Southwark and Blackfriars bridges. A helistop is apparently different from a heliport in having no refuelling facilities, and no air-traffic control. This last would be done by telephone tie-line from the heliport at Battersea.

Captain Eric Brown, chief executive of the British Helicopter Advisory Board, and secretary of the independent company it has set up, City Heliport Ltd, tells me BHAB members will be investing about £100,000 in the installation, which will be allowed a quota of 1,500 flights a year. Only the new generation of quieter helicopters will be allowed, a restriction also applied to most of the 11,500 movements allowed at Battersea.

"We've been plugging away at this for the last 10 years," he says. "Battersea is not after all the most convenient place for the City. There's no Tube and it's on the wrong side of the river. It can take you 25 minutes to get to your office, which rather defeats the object of using a helicopter in the first place."

Westland, which operates the heliport at Battersea, says rather pointedly that it is not proposing to help finance the helistop, although it "welcomes any new helicopter facilities." It is at present losing money at Battersea, despite the fact that the administration of the place seems to consist mainly of a girl and a parrot. A small loss? "Small in our terms," says a spokesman.

"I must warn the witness that he's not at work now!"

All aboard

Superstar adventurers add greatly to the appeal of a travel club mailing shot which is currently being dropped through 750,000 British letter boxes. Chris Bonington, Wally Herbert, Robin Hanbury-Tenison and 19 other well-travelled, well-known personalities are listed in the brochure as supporters of the club, WEXAS, which offers to jet members to far-flung holiday heavens at bargain prices. (Annual subscription is offered at the "special" price of £9.50 a year.)

They are all honorary board members of the club, which was founded as a charity 10 years ago. All surpluses go into the WEXAS Awards Trust which offers grants to support "major expeditions." Chris Bonington, mountaineer-cum-writer, told me he was invited to be a vice-president about eight years ago. "I agreed, and that's as far as it has gone." The vice-presidential duties? None, so far.

Sue Tillard, executive director on an all-female executive board, claimed that in the past 10 years the trust fund had helped 167 expeditions. "I think at the moment we give about £100 a go," she said. Among recent beneficiaries are Robin Hanbury-Tenison, who led a trek to Sarawak—and other members of the honorary board.

The only honorary Board member involved in the running of the club is one Ian Wilson. He set up WEXAS and is not available at the moment because he is in the West Indies, "sussing out" the possibilities there, according to Sue Tillard.

Prices of flights offered by the club appear to fall in the range now common in the cut-price air travel business, so why should people pay a club to book for them? "It's easier, and with a club some people feel it pleasanter to work through people they feel they know," returned the executive director.

Current membership is around 20,000 and the club hopes to attract 15,000 more through its mailing. I asked what was to be done with the £140,000 from new membership fees. "Oh, most of that will have to go to cover the cost of the mailing shot," responded the helpful lady director.

Trains of thought

Fortunate the rail passenger who commutes daily between Watford and Bletchley. For whereas most fares have just risen by 20 per cent, the price of a cheap day return on that route has gone down. This curiosity is drawn to my attention by a reader in Milton Keynes, who heard his boss boasting that his fare had been reduced.

With a hint of class warfare, my correspondent demands to know why "somebody is subsidising my boss's travels." I can confirm that a cheap day return, Watford-Bletchley, has indeed fallen from £2.46 to £2.42. "Probably a deliberate marketing policy" said one BR spokesman, who assured me htat the standard fare had gone up by 69p, then swiftly passed me to a second spokesman.

"It is a standardisation of percentage discounts," declared the second spokesman. Did that mean that the fares were previously too dear? "On that line there are fairly modern trains and better conditions than on many other lines in London and the South-East," he replied adroitly.

Smelling a rat

Rats, however unpleasant some of their habits, have gone up a peg or two in my estimation since my chat yesterday with Winchester businessman, Keith Webb.

Mr. Webb tells me his fruit and produce warehouse is occasionally invaded by foraging parties of the pests. They favour the odd nut, enjoy splashing about in over-ripe melons. But most of all they love apples.

"Odd thing is they are highly selective," Mr. Webb says. "If I have any in stock they always go for Egremont Russets (a good old-fashioned English variety). Next best thing is a nice Cox's Orange Pippin."

But his research has shown that the rats never touch French Golden Delicious. "Can it be that they retain characteristics lost to many British humans — a sense of taste and smell," he asks.

Incisive inventor

Dentist overheard examining new patient: "I see you've put your money where your mouth is, Mr. Hamilton."

Observer

ECONOMIC VIEWPOINT

The principles at stake in steel

INDUSTRIAL disputes are too important to be left to the industrial relations Establishment or to specialists in the industry concerned.

The first thing that needs to be said is that there is no principle of market economics whereby the Government can disclaim responsibility. Non-intervention can be justified in unsubsidised private industry, where market forces act as a non-political regulator. It can be justified up to a point in profitable nationalised industries, which can be treated "as if" they are private concerns required to provide a minimum return on the public funds they invest.

But nationalised industries running at a heavy loss are a different kettle of fish altogether. They can exist in their present form only because of subventions from the Government; and he who pays the piper has not only the right but the duty to call the tune. People like Sir Charles Villiers or Sir Michael Edwardes are government agents; and they must be responsible to Parliament through Ministers or directly for their expenditure of public funds—not merely for cash totals, but for how they run their empires.

Suspicion

What is actually at stake? The figures quoted for wage offers and settlements need to be treated with the maximum of suspicion. They have a large public relations element and often differ a great deal from the earnings afterwards recorded. But making all due allowances, it is clear that some steelworkers at least are being asked to accept at least the possibility of wage increases below both the past and prospective rise in prices, and below what many other groups are being offered. It is the risk of this happening which lies behind the opposition to a "self-financing" deal.

What is the justification for asking steel workers to bear this risk? Productivity cannot be brought in here. As I have tried to explain in earlier articles, earnings neither do nor should reflect the productivity trends in particular occupations, which are often outside the control of the workers concerned. (Special efforts or sacrifices are a different matter, although "productivity" agreements based on them are notoriously open to abuse). Moreover, although there seems to be large scope for productivity improvement in steel, no one has suggested that the rate of productivity growth has in the past been less there than in industry generally.

The fact that steel is running at a heavy loss makes its wages strategy inevitably a public matter. But the losses are not themselves an argument for a real wage reduction. If a West End or City office running into hard times tried to reduce its typists' real wages, it would soon find that its staff had left to go elsewhere. If there were a comparable demand for steelworkers in other occupations, BSC could not afford to pay less than the "going rate" of increase. The true argument for a real wage reduction is the state of the labour market: at current wages there is a surplus of steelworkers; and if steel fell back in the wages league, the Corporation could still get all the workers it needs, and more.

The idea that relative wages movements should depend on labour market supply and demand is a sound one and would do more to restore full employment than all the "job creation schemes" ever invented. Indeed it is central to a market economy, however "corrected." But it has also been thoroughly out of fashion for decades and hardly ever stated clearly by any of the political parties or Establishment bodies. It seems a bit hard that the steel workers should discover that their wages are being regulated by a doctrine known in theory mainly to some economists and practised overtly only in the black and fringe economies.

This difficulty might still be regarded as one of public relations, if the doctrine of real wage cuts where demand is weak were applied in the rest of the government sector. But the Clegg recommendations for public service manual workers were based on "comparability," not supply and demand. There is not the slightest attention paid to market forces in the so-called "pay research" which is being reconstituted for the Civil Service. The Rate Support Grant for local authorities provides for pay increases of 13½ per cent, with the general expectation that a few per cent more will be financed out of volume cuts in spending. Nor do the Steel Corporation's losses affect the argument. For the service workers benefiting from Clegg have never had to meet a profitability test in their lives. However high the proportion of steelworkers' wages paid by the Exchequer, it does not amount to 100 per cent as it does for public servants remunerated directly out of rates and taxes.

The basic answer to the steel dilemma is that market principles should be applied humanely, but generally rather than selectively. This means that Clegg, "comparability," and all the remaining impedimenta from the incomes policy era should go. This advice is not hindsight on my part; and it is never too late to change. But in the short run, with existing labour market and public sector policies, there is only a choice of evils.

A higher cash offer in steel can probably be self-financing only with redundancies exceeding those already planned. If these remain unacceptable to the unions, an increased cash offer will mean higher public spending on steel subsidies. If this is not to be paid for by the particular tax known as inflation, it will have to be financed by keeping interest rates at a higher level for a longer period than would otherwise be necessary, or by other reductions in public spending, involving probably redundancies elsewhere, or by higher taxes than we would otherwise need.

Worst result

The choice between any of these courses and sitting out the strike can be made only by hunch or instanct not logic. The worst of all worlds would be a settlement after two or three months of disruption more expensive than would be required to secure a resumption of work here and now. There is much to be said for active counter-measures to keep the ports open and enforce the existing law on picketing with all the resources of the law. There is something to be said for imagination and ingenuity in finding a formula which will enable all sides to save face at minimum cost. The two approaches could be combined by leaders with real flair. Each demands intelligence (in the military sense of that term) and panache. Simple tight-lipped determination to sit through discomfort, of the kind which comes so easily to post-Macmillan Tories, is the wrong psychological approach, if only because it can so rarely be maintained to the end.

Meanwhile, I will make one small suggestion for a sweetener. Whatever the minimum figure at which the steel unions would settle, it would undoubtedly be lower if they really believed that prices would rise by only 14 per cent in 1980 as the official economic forecast suggests. Equally if the Government believed the worst fears of union leaders about 20 per cent price rises continuing, it would be prepared to offer more, if only because it would be in the context of a general rise in inflation in which other groups would get more too, and sterling depreciate.

Why not then let both sides put their money where their mouth is and settle on the basis of a 14 per cent cost of living threshold? In other words, if the Retail Prices Index rose by above 14 per cent steel workers would receive a corresponding supplement to make up the difference. The Heath 7 per cent thresholds of 1973-74 were far too low, applied to all workers, and were superimposed on a universal wage norm which was too high. It is a tragedy that mistaken analogies from the Heath period should prevent more limited and sensible experiments in wage indexation which would be less dependent on good luck and good forecasting for their success.

The choice of a price index

THE ONE SERIOUS economic argument advanced by the Government's advisers against the issue of indexed bonds, which could transform public finances for the better, is a fear that indexation would spread to wages, like some sort of fungus. This is not so obvious. There is a clear difference of principle between a government security, the terms of which are fixed for many years ahead and wage agreements which, apart from being less firm, run for about a year.

But there is, as indicated in the previous section, a powerful case in its own right for limited, careful experiments in wage indexation. Many wages are informally indexed in any case, as the emergence of the "going rate" tied to the inflation estimate demonstrates. Why not go about the process more consciously and with built-in safeguards?

The problem which rightly worries officials is what to do if full cost of living compensation cannot be afforded either in a particular sector or in the economy generally. This problem is not avoided by making the indexation informal and one of guesswork. The argument for indexation here, as elsewhere, is that of honesty. If real wages have to be reduced by 2 per cent it is better that this should be done openly rather than by awarding 15 per cent, hoping that prices will rise by 17 per cent—a procedure which has unlimited downside risks for employers, unions and government alike.

But clearly wage indexation would work more smoothly if an index were used which itself took account of changes in national economic circumstances which made full cost-of-living compensation unfeasible. A price index already exists much more suitable than the Retail Price Index. This is known as the "Gross Domestic Product Deflator" or in more homely terms "Index of Home Costs."

Thus it excludes import prices. If these rise because of, say, oil price increases in the period before self-sufficiency, or in the aftermath of a devaluation, the GDP Deflator will not suggest that anyone is entitled to compensation. It also excludes indirect taxes because these are transfers rather than costs. But being an old-established index, rather than one specially invented after an election it should give rise to less union suspicion than the Tax and Prices Index.

PRICE INDICES COMPARED

	% increase over previous year			
	Earnings	GDP Deflator	Retail Prices Index	Excess of RPI over GDP Deflator*
1973	13.5‡	7.5	9.2	+1.7
1974	17.8‡	17.0	16.1	−0.9
1975	26.5‡	27.4	24.2	−3.2
1976	15.6‡	13.7	16.5	+2.8
1977	9.1	11.9	15.8	+3.9
1978	13.0	10.7	8.2	−2.5
1979†	15.7	13.7*	16.0	+2.3
			Average	+0.6

* Minus sign means that GDP Deflator rises more.
† Third qtr. on third qtr.
‡ Older Index.

Source: CSO

The disadvantage of the GDP Deflator is that it reflects the cost of government services and of investment goods. The former at least tends to rise faster than prices in general. But then nothing is perfect for all purposes.

The table shows that it is normal for the GDP Deflator to rise less than the RPI. The main exceptions were in 1975 and in 1978, years both marked by a clear improvement in the terms of trade. The Deflator has also corresponded more closely to underlying inflation. It did not show the artificially low inflation rate shown by the RPI in 1978 nor has it shown an exaggerated increase this year.

The most embarrassing year for the advocate of the GDP Deflator is the wage explosion year of 1975, when it rose faster than the RPI. But even in that year complete indexation based on the Deflator would not have pushed wages more than the tiniest fraction above where they went in any case. Indexation based on the Deflator in succeeding years would have involved a much more stable path for wages than we have seen—although still too high because monetary policy has been too inflationary.

Switching to a new index cannot itself provide all the required changes in real wages. But even in an emergency year such as 1975, it would surely have been less disruptive—and equally productive in terms of wage de-escalation—to have simply proposed suspending the last few points of inflationary compensation in an indexed world than introducing the £6 pay limit and all the other arbitrary pay policy norms which followed culminating in the explosion of a year ago.

Samuel Brittan

Letters to the Editor

Small is beautiful

From the National Chairman, Association of Independent Businesses

Sir,—There is much to question in Anotole Kaletsky's Lombard column, "Small comfort in small firms" (December 19).

In the interests of brevity, might I move directly to his conclusion, that "the reliance on small firms amounts to a policy for shifting jobs out of manufacturing into services ... is it really so very different from good, old-fashioned, de-industrialisation?"

I would submit that the difference is very great indeed.

The nature of our industrial base has been in constant change throughout our history, as has been the pattern and nature of employment in it.

One might single out several important factors affecting this: technical change relating to processes (the number of people who can produce so much in so long); technical change relating to products (a century ago, many thousands were involved in manufacturing steam engines); external competition; investment policy; industrial relations.

Much of our present problem derives from applying political solutions to commercial problems and from confusing, as Mr. Kaletsky appears to be doing, a changing industrial base with de-industrialisation.

An economy evolves: as it does, the relationship between the constituent part changes. Artificial attempts to maintain that relationship (as for example, maintaining gross overmanning in many "traditional" industries) damage the whole organism.

There is no particular magic or virtue to the number of people employed in manufacturing—as opposed to service or any other sector. Artificially maintaining 50 people in jobs 10 can do can only have damaging effects—on cost competitiveness or wage competitiveness: our customers will not tolerate the former, nor our unions the latter.

Mr. Kaletsky's contention that support for smaller firms is support for services as opposed to manufacturing is somewhat misleading. I wonder if he is aware that of 104,089 manufacturing establishments, 97,726 are "small" (less than 200 employees) and 58,993 are very small indeed—10 or fewer employees? The nature of the manufacturing base may be changing, but the role of the small firm in it remains both substantial and important.

Mr. Kaletsky has done an unfortunate service by linking the questions of small firms policy and attitudes to the industrial base. A continued policy of mindless support for jobs in declining industries (which has been virtually consistent Government policy for the last two decades) can do nothing but harm to both small firms and the future of our manufacturing base.

Brian Kingham.
Europe House,
World Trade Centre, E1.

Stochastic and hazardous

From the Managing Director, British Shipbuilders

Sir,—In my view the only permissible end point of any plan is action, that is irrefutable and Igor Ansoff makes the point early in his article on January 2. His article, however, does raise some doubts as to the value of forecasts. There is nothing wrong with starting any plan with a forecast. The forecast will be wrong if it does not, however, address itself to the real world. Planners in the 1950s and perhaps the 1960s tended to take the view that extrapolation was the answer to many questions and the comfortable route chosen was to take indices of economic growth etc. and apply these to the sector or market within which the organisation earns its living. Extrapolation implies a linear world—non-linearity is the norm.

Any clear assessment of the real world will enable identification of the risks and hazards, and that will identify a range of probabilities relating to events for which the organisation must plan. The range of probabilities may be wide but that range will be based on realism. Perhaps the real problem of the forecasters and planners of the 1950s and 1960s was that they were not familiar with the essential nature of the real world, i.e. that it is stochastic and hazardous. Perhaps future plans will have a new realism if only because people are now educated in the concept of uncertainty.

(Dr.) H. Kinloch.
Benton House,
136, Sandyford Road,
Newcastle upon Tyne.

Responsive to shocks

From the Managing Director, Human Resource Management

Sir,—Professor Ansoff (January 2) has delivered a hefty broadside at the usefulness of long range corporate planning. Many managers have recognised from recent and perhaps bitter experience that the past can be a highly unreliable indicator of the future. Very often their companies have been through great difficulties and occasionally traumas because of this inability to project forward accurately from an historical base. Quite rightly he goes on to advocate that firms are better advised to do an internal assessment of their capabilities in a way that enables them to respond and adapt to these unpredictable events.

There are certain factors, such as the markets the company serves, its size and technology, which managers have little control over but which the organisation's structure must be designed to accommodate if it is to achieve maximum performance. The organisation itself must be reviewed and its design modified as part of the company's strategic thinking not by the occasional redrawing of organisational diagrams. The people the company employs and on whom it relies for its success must be managed and motivated in ways which are wholly appropriate to the competitive needs of its business rather than by following ingrained practice. If the company takes these points into account in designing its organisation and management then it is much more likely to be responsive to the shocks caused by unpredicted events.

The last decade has shown clearly just how damaging these shocks can be. The next could well be one of increasing unpredictability. Firms that not only are aware of the need for organisational management assessment but know how to do it and how to implement the necessary changes are much more likely to succeed during the difficult 1980s.

(Dr.) R. J. Poulet.
83 Pall Mall, SW1.

Half time miners

From Mr. R. Smart

Sir,—The excellent review of the tenth year of the activities of the Royal Mint at Llantrisant, South Wales (December 29), included an interesting reference to "absenteeism." Many of the Mint's employees are ex-miners due to decline in the local coal industry. Absenteeism of 11.63 per cent has proved a matter of great concern to the Mint.

Coal productivity in South Wales is barely half the national average which itself is among the lowest in Europe, while Welsh absenteeism is among the worst in the industry. Absenteeism has long been a chronic and endemic feature in mining responsible for an annual loss of coal output of some 80m tonnes. Miners in the U.S. have a far better record of attendance, the persistent absentees getting short shrift from their team mates, with no support from the miners' union.

Prior to the last war mining absenteeism was around 5 per cent. In 1947 A. J. Hall, president of the Yorkshire National Union of Mineworkers, said: "Persistent absentees should be punished" when it was 12 per cent. The position was condemned by the National Coal Board in 1957 as destructive of "technical progress" when face figures were 16 per cent. In 1967 Lord Robens (NCB) referred to "half-time miners" stating that "on Mondays absenteeism averaged 40 per cent, was crippling the industry, and threatened the economic survival of the UK."

Clearly in a competitive world coal in the UK has no future without drastic improvement in productivity.

R. C. Smart.
68, Hamilton Avenue,
Harborne, Birmingham.

Quality of life

From Dr. S. Watkins

Sir,—I was surprised that on January 4 you failed to report the fact that the annual conference of Community Medicine Trainees had carried by 37 votes to 10 a resolution declaring that the policies of the present Government were likely to be harmful to health, that successive Governments had failed to take adequate account of health implications in formulating policy, and that health had been neglected in areas of policy as diverse as agriculture, food, housing, transport, energy, economic and industrial policy.

This conference was an educational and scientific conference of doctors, below the grade of consultant, in that medical specialty which is concerned with analysing the health of the community and the factors affecting it, and, on the basis of that analysis, planning health services and advising public authorities. Although the resolution was proposed by the Association of Scientific, Technical and Managerial Staffs Community Medicine Trainees' Group, the size of the majority plainly transcended trade union or political loyalties, and, reflected an important professional judgment.

The present assumption is that the material standard of living must take precedence over other elements of the quality of life. Governments fight elections on their success in increasing real disposable income or GDP, not their success in making people healthier. Trade unions recruit members on the question of pay, not the question of job satisfaction or industrial safety.

Accordingly policies reflect that assumption. Agricultural policy is about the price of food and the livelihood of farmers, not about the effects of different policies on diet and hence on the incidence of diseases such as coronary heart disease. Transport policy is about the economics of moving people and goods, not about the effect on road traffic accidents of particular decisions. The arguments in favour of a "socially useful work" approach to unemployment were hardly augmented at all by Harvey Brenner's conclusion that more than 50,000 deaths per year in Britain were caused by high unemployment.

(Dr.) Stephen J. Watkins,
(Council Member, Medical Practitioners' Union Section, Association of Scientific, Technical and Managerial Staffs.)
2, Keats Close, Langton Brow, Eccleston, Chorley, Lancs.

Inward looking customs union

From Mr. R. Wood.

Sir,—I belong to the school of thought which believes that the Government's approach to the problem of our extensive payments to the EEC should have been to place the emphasis on the need for the fundamental reform of the Common Agricultural Policy. There has long been a consensus on the need for this to be effected sooner rather than later, so that this approach could not be criticised so much as special pleading.

As an inveterate European I regarded the EEC in the first instance as a challenge in which the participants could benefit from the enlarged market but at the same time accept the consequences in those cases where they could not compete. In the event, the market has turned out to be a very different thing in which members think only in terms of what they can get out of it in the way of subsidies, and the like, in comparison with what they put into it. The result is that it has developed into a bureaucratic jungle in which the officials indulge in an orgy of intervention in what is rapidly becoming an inward-looking customs union.

By and large, however, the UK, which is efficient in agriculture and inefficient industrially, has accepted the consequences of the latter in open competition whereas Germany and France are failing to do this in the case of their small and backward farming communities. In the same way as the British Government should itself subsidise its uncompetitive firms and industries, if this is felt to be politically and economically desirable, so too should the French and German Governments be responsible for subsidising their uncompetitive farmers.

Russell Wood,
Kennet House,
Kennet Wharf Lane,
Upper Thames Street, EC4.

Today's Events

GENERAL

UK: Final day of Financial Times conference on "Problems in Accounting."

National Economic Development Council sector working party reports on technology applications.

BL shop stewards meet on pay offer.

Airfix management and union leaders discuss Meccano closure.

National Union of Mineworkers' executive meets.

Overseas: Lord Carrington, Foreign Secretary, in Turkey on five-nation tour of countries bordering Afghanistan.

Ceremonial re-opening of border between Uganda and Sudan.

OFFICIAL STATISTICS

Treasury publishes central government transactions (including borrowing requirement) for December. Department of Industry releases December provisional figures of vehicle production.

COMPANY MEETINGS

Beechwood Construction, Rhosmaen, Alandeffo, Dyfed, 12. British Sugar Corporation, Hyde Park Hotel, Knightsbridge, 12. Castlefield (Klang) Rubber, Harrisons and Crosfield, 1-4 Great Tower Street, EC, 11. Killinghall (Rubber) Development Syndicate, Harrison and Crosfield, 1-4 Great Tower Street, EC, 12. Riley, The Connaught Rooms, Great Queen Street, WC, 12.30.

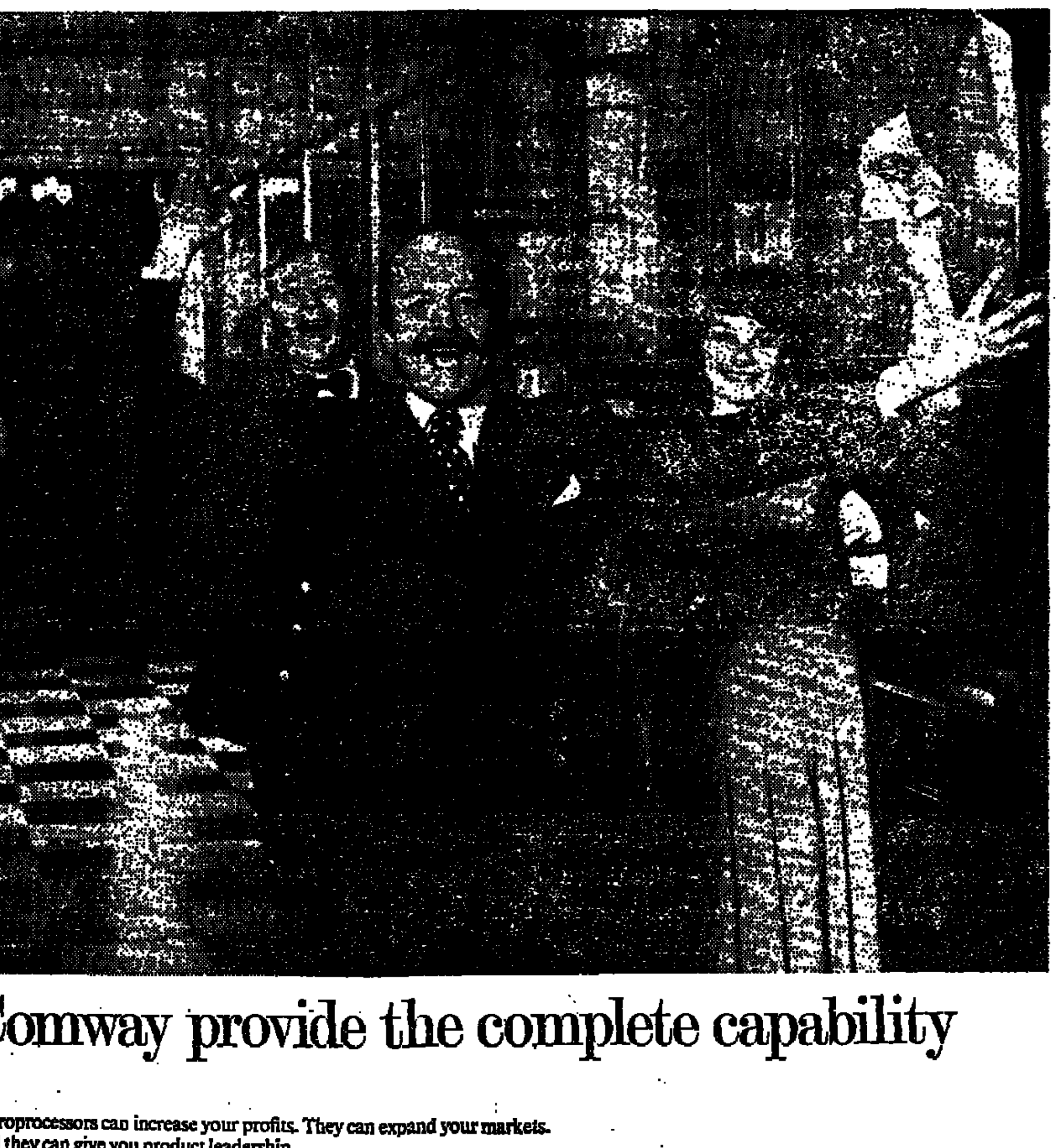
COMPANY RESULTS

Final dividends: Bond Street Fabrics. English China Clays. Pleasurama. Sotheby Parke Bernet Group. Interim dividends: Ratners (Jewellers). Symonds Engineering. John Waddington. Interim figures: Somportex Holdings.

LUNCHTIME MUSIC, London

Voices Virorum directed by Garrett O'Brien, St. Olave, Hart Street, EC3, 1.05 pm.

Bach Cantata Series (No. 123) ensemble directed by Peter Lea-Cox, St. Mary-at-Hill, Lovat Lane, Eastcheap, EC3, 1.15 pm.



Turnround at Westland Aircraft: dividend boost

PROFITS BEFORE tax of £15.27m are reported by Westland Aircraft for theyear ended September 30, 1979, and the directors are recommending a final dividend of 3p to make a 4p total against the previous year's single 1p final payment.

Last year, the group incurred losses of £2.86m but this was after providing £16.16m for losses and loss provisions on Lynx helicopters and Super 4 hovercraft. The directors now say these provisions have proved adequate but no release has been taken this year.

The year's profit is struck after debiting £750,000 being an out of court settlement following the Vickers law suit.

Profit on a CCA basis is reduced to £6.39m after debit adjustments of £1.93m for depreciation, £7.78m for cost of sales, £2.07m for monetary working capital and a favourable adpustment of £2.9m for gearing.

Stated earnings per share are 20.7p compared with the previous year's 8p loss.

Turnover amounted to £198.16m (£166.58m) with helicopters contributing £144.15m (£121.19m); hovercraft, £10.27m (£10.42m); control equipment and systems, £26.31m (£20.36m) and doors and other products, £17.43m (£14.61m).

	Year 1978-79 £000	1977-78 £000
Turnover	198,160	166,577
Trading surplus	16,163	15,297
Exceptional losses	—	16,155
Vickers law suit	750	—
Leaving	15,413	*858
Associates profit	1	1
Interest	148	2,002
Profit before tax	15,266	*2,859
Tax	1,481	992
Net profit	13,785	*3,851
Minorities interests	1,522	880
Attributable	12,263	*4,731
Off goodwill	325	—
From dept. reserve	—	1,000
Dividends	2,371	593
To unappropr. profits	9,567	†4,324

* Loss. † Deduction.

Of the £15.41m trading surplus before interest £85,000 loss) helicopters made £9.05m (£3.5m loss): hovercraft, £550,000 (£2.17m loss); control equipment and systems, £4.77m (£3.04m) and doors, etc., £1.22m (£1.38m). Holding company and consolidation adjustments were a £179,000 debit (£395,000 credit).

The directors say payments received from Arab British Helicopters are considered to be sufficient to cover all foreseeable liabilities incurred in connection with those contracts.

The group's cash position remained satisfactory throughout the year and no cash problems are foreseen during the current year, the Board states.

Lord Aldington, Westland's chairman, told a Press conference that the multi-million pound problem Ministry of Defence contract for Lynx helicopters will finally be completed over the first half of the current year.

The "claw back" on provisions already made could be included in the figures in the current year but it appears this will be probably something less than £1m.

Once the contract has been completed discussions will be getting under way with the Review Board for Government contracts over some form of possible compensation settlement for the group.

Westland is now making money on all current Lynx helicopter production.

But some £40m of last year's helicopter turnover was represented by the loss-making contracts against which provisions have already been made.

Group order books for the Lynx are "satisfactory" for 1980 and 1981.

Lord Aldington said that the break up of the Arab Organisation for Industrialisation had affected Westland's hopes for a project which would have provided orders for up to 250 helicopters.

The group was now discussing with the governments involved what would be done in its place. "This could involve compensation or orders or a mixture of both," he said. "In law our rights are quite clear to us."

Meanwhile discussions are under way with British Rail on a possible settlement for the group in respect of a loss making contract for hovercraft.

On the trading front for the group as a whole the Westland directors already have figures for the first two months. Lord Aldington said he was "quite happy" with results to date.

"I view this past year as one of consolidation in which we have broken out of the problems of contracts. We have now got a good base from which we can get a real increase in profit."

"If things go right there will this year be in real terms a real increase in profits," said the chairman.

See Lex

HIGHLIGHTS

After looking briefly at prospects for the new tap, Exchequer 14 per cent 1984, when lists open this morning, Lex moves on to the results of Westland Aircraft whose profits have recovered sharply, reflecting the previous year's exceptional debits which dropped the company into the red. Hogg Robinson confirms that conditions are tricky in the insurance broking sector by reporting a drop of almost a fifth in half-time profits, though the shortfall could be a little lower for the full year. On the inside pages there are comments on the latest figures from McCorquodale, Hollas and R.F.D.

R.F.D. falls to £0.81m midway

AFTER reorganisation expenses this time of £108,000 and interest charges increased from £17,000 to £203,000, pre-tax profits of R.F.D. Group fell by £256,000 to £813,000 for the half year to September 30, 1979. Turnover of the inflatable products and specialist textile manufacturer reached £13.2m, compared with £9.7m.

The directors warn that full year profits are unlikely to exceed the previous year's £2.32m, but add that it is still too early to take a definite view.

Apart from the specialist textile division where performance was substantially better, first-half trading results have been disappointing, they state.

While turnover volume has been maintained, margins have been eroded by a number of factors, not all of which were under the Board's control. This particularly applied to Lindsay and Williams, whose results have been consolidated with effect from May 1, 1979, and whose margins, in its substantial but highly competitive export trade, have been hit by higher sterling value.

The review of the group's operations, referred to in the last annual report, has been completed and action has already been taken in several parts of the group, including Lindsay and Williams, to concentrate its resources and simplify administration.

This process necessarily involves non-recurring exceptional costs which have to be met out of profits, the directors say, and further costs of this nature are being borne in the second six months.

The eventual result will be a more effective business, but the benefits will take time to show through in reported figures, they explain. The second half will also have to bear the costs of higher interest rates on bank borrowings.

Stated net earnings per 10p share are down from 4.97p to 3.9p, while the interim dividend is stepped up from 0.7p to 0.8p net—last year's total payment was 2.7p.

There were no associates' profits for the period, compared with £19,000 last time. After tax of £285,000 (£382,000) and minorities, attributable surplus dropped by £142,000 to £511,000.

• comment

The rise in borrowings from £1.4m last March to probably twice that by the year end has brought a hefty interest burden to RFD, sufficient in itself to account for the fall in half time profits. Despite the rise in turnover, partly thanks to the Lindsay and Williams acquisition, the strong pound has squeezed margins in competitive markets. The company is bearing re-organisation costs which may be of the same order in the second half. So far, attention has been concentrated on L and W, which has performed weakly. Over the rest of the year, the group will re-structure into three distinct divisions. The current order book stands at around last year's level, though in the longer term increased interest in defence spending could help the company. For the full year, the benefits of rationalisation and the re-equipping of Perseverance could lead to profits of around £2.25m, with outside forecasts of a net dividend totalling 3p. On that basis, the projected yield would be some 9 per cent and fully-taxed p/e around 6.2 at 49p.

Hogg Robinson behind but sees second half pick up

FOLLOWING A marginal decline in the previous year from a record £9.5m to £9.2m, taxable profits of Hogg Robinson Group, insurance broker, fell £635,000 to £2.73m in the half year ended September 30, 1979.

The directors, however, feel confident that the second half will go some way in correcting this position and with the UK business on all sides trading strongly, they believe that the year as a whole will improve on the first six months' performance.

Profits have been hit mainly by a substantially reduced contribution from the international and reinsurance operations, in some part due to the continuing unfavourable currency conditions, but also because of delays in settlement of accounts.

Turnover advanced to £16.3m against £15m and the net interim dividend is 3p per 25p share, compared with 2.7p—last year's final payment was 2.24p.

See Lex

NOVA (JERSEY)

Premises owned by Nova (Jersey) Knit in South Wales have been affected by recent flooding. This has interrupted the dyeing and finishing of products, but the directors say there is insurance cover to provide for such an incident.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: K. O. Boardman International, Centreway Trust, Ratners (Jewellers), Symonds Engineering, John Waddington.

Finals: Bond Street Fabrics, English China Clays, Hickson and Welch, Pleasurama, Sotheby Parke Bernet, United Guarantee.

FUTURE DATES

Interims—	
Diamond Stylus	Jan. 15
GT Japan Investment Trust	Jan. 15
Property Security Invest. Tst.	Jan. 18
Finals—	
Bakers Household Stores	Jan. 23
Countryside Properties	Jan. 18
Dewhurst and Partner	Jan. 18
Gestetner	Jan. 17
Grand Metropolitan	Jan. 17
Great Northern Invest. Trust	Jan. 21
Greenfriar Investment	Jan. 17
Lovell (Y. J.)	Jan. 24
Murray Western Invest. Trust	Feb. 11

Downturn at Melody Mills

ALTHOUGH TURNOVER moved up from £4.47m to £4.64m, pre-tax profits of Melody Mills, wallpaper manufacturer, fell by £80,000 to £230,000 in the six months to September 30, 1979.

The directors say the second quarter did not come up to expectations and demand was well below normal. This situation has also affected the third quarter, but currently the company has a reasonably full order book and is making efforts to improve.

As stated in the last annual report, the company is splitting the dividend into interim and final payments and accordingly an interim of 1p net per 25p share is recommended for the current year—the previous year's single dividend was an equivalent 3p on £826,000 profits.

Half-yearly earnings per share are stated lower at 2.6p, compared with an adjusted 3.8p.

After tax of £120,000 (£161,000) net profits for the period were £110,000, against £149,000.

Hollas Group up 36% so far and confident for future

BENEFITING FROM increased efficiency following a re-equipment programme, pre-tax profits of the Hollas Group rose 36 per cent from £560,502 to £761,148 in the six months to September 30, 1979, and the net interim dividend is more than doubled.

The directors of the group, which processes yarns and fibres, manufactures woven labels and ribbons and imports made-up garments, say the increase in dividend, from 0.983p to 2p, is partly to rationalise the dividend structure, but also reflects their view of the group's future potential. Last year, dividends totalled 5.233p on total profits of £1.57m (£1.26m).

Turnover for the six months rose 17 per cent from £11.04m to £12.92m, and there is a higher tax charge of £395,797 (£291,461).

After minorities of £7,488 (£4,607) and the £159,132 (£78,198) absorbed by the dividend payment, £198,731 is retained against £186,236.

The directors state that the proposed acquisition of household textiles manufacturer Thrells should not impair the group's efficiency, and feel the new company will be a lively contributor to profits next year.

They believe the group's companies will continue to perform better than most others in their respective fields.

	Six months 1979 £	1978 £
Turnover	12,916,575	11,037,426
Pre-tax profit	761,148	560,502
Tax	395,797	291,461
Dividend	159,132	78,198
Minorities	7,488	4,607
Retained	198,731	186,236

• comment

The most impressive feature of yesterday's increase in profits and margins at Hollas is not the bucking of a dull trading climate in textiles but the fact that a sound balance has been attained between the dominant importing side, which accounts for around two-thirds of business, and the manufacturing divisions. This is largely due to an extensive re-equipment programme and an emphasis on specialist work on the manufacturing side. The relocation of the interlinings division, for example, has brought that sector back to break-even and the trend is likely to become more pronounced next year when the Thrells purchase is completed. This could well contribute around £750,000 in 1980-81. On the importing side, Hollas maintains that it has derived little benefit from the strength of sterling, as it generally passes on the exchange gains to customers, in which case it is mostly insulated against a decline in the rate. Set against this is a balance sheet which is around 50 per cent geared and the possibility of income dilution if Thrells is purchased for equity. A more than doubled dividend indicates that Hollas does not share these doubts and the tax charge this year should be low enough to permit a final increased by perhaps 10 per cent. On this basis, the yield is 14.4 per cent at 68p, while pre-tax earnings of £2m would produce a fully-taxed multiple of 5.6, which is hardly exacting.

Camford Eng. pulls back and pays more

RECOVERING FROM a first half depressed by the effects of strikes and heavy investment in new plant and machinery, pre-tax profits of Camford Engineering rose by £288,000 to £2.54m in the year to September 30, 1979.

The dividend is lifted from 3.99p to 4.47p with a final of 2.84p. It is proposed to consolidate the existing 10p shares into 25p shares to be followed by a one-for-ten scrip issue.

Turnover for the year increased 28 per cent from £29.26m to £37.54m. After lower tax of £208,000 (£263,000) and an extraordinary credit of £63,000 (£33,000), £1.66m is retained compared to £1.36m.

Stated earnings per share on a nil distribution basis are 15.91p (14.59p) and on a net basis, 14.16p (12.07p).

M & G pays 8.6p final

WITH pre-tax revenue increasing from £1.12m to £1.29m, M and G Dual Trust is hoisting its net final dividend from 7.1p to 8.65p, making a total of 15.65p against 13.1p.

Tax is higher at £386,092 against £370,818. The asset value of capital shares is given as 324.93p (303.5p).

WINTERBOTTOM INTERESTS

Equity and Law Life Assurance Society owns 32 per cent of shares in The Winterbottom Trust, and not 31 per cent as reported on January 9. The Prudential Assurance Company owns 33.3 per cent of preference shares.

Growth by Ailsa Investment

PRE-TAX revenue of Ailsa Investment Trust expanded from £333,765 to £414,919 for the half year ended November 30, 1979, and the interim dividend is increased to 3.087p net per 25p share, compared with 2.5p.

Last year's final payment was 3.33806p paid from pre-tax revenue of £673,985.

Also announced is a special interim of 0.413p—franked income totalled £377,400 which included non-recurring dividends of £40,769 received following the end of restrictions, and the special payment has been declared to pass this on to holders.

The directors state that neither this nor the interim increase implies any increase in the final dividend.

First half revenue was subject to a tax charge of £132,730 against £116,652, leaving a net balance ahead from £217,113 to £282,189.

Net asset value per share is given as 153.4p (149p).

Smiths Inds. $6.5m facility

The Export Credit Guarantee Department has approved the financing of a contract awarded by the China Technical Import Corporation to Smiths Industries under a deposit facility placed with the Bank of China.

Smiths are drawing U.S.$6.5m from the deposit facility made available by S. G. Warburg and Co. in conjunction with Lloyds Bank International to help finance a U.S.$7.75m contract for equipment and know-how for the manufacture of spark plugs.

Imry Property doubles for first six months

TAXABLE PROFITS of Imry Property Holdings more than doubled in the half year to September 30, 1979, soaring from £279,000 to £578,000.

Tax takes £281,000 (£154,000) and outgoings in respect of properties under development of £19,000 (£5,000) have not been charged.

A doubling of the interim dividend from a net 1.2p to 2.5p per 25p share is to reduce disparity, say the directors, and does not imply a proportionate increase in the final. But they reaffirm their intention to increase dividends progressively year by year. A final of 4p was paid last year on total profits of £750,035.

The directors add that the whole of the group's properties at 15 Manchester Square, W1, and Clarendon Road, Hornsey, and about half of that at Ballards Lane, Finchley, have been let.

McCorquodale profits over £4.6m after buoyant trading

FOLLOWING the increase from £2.27m to £2.38m at midway, McCorquodale and Co., the worldwide specialist printing group improved further in the second half and finished the year to September 30, 1979 with pre-tax profits of £4.63m compared with £4.12m previously.

All major divisions reported profit improvements with the UK companies performing exceptionally well in difficult trading conditions, the directors say.

Contributions from associated companies, particularly those overseas, showed another substantial advance. The group has entered the new year with confidence and the board expects to report another increase in profits and earnings.

Stated earnings per share are 24.58p against an adjusted 19.78p and the board is recomending a final of 4.87p making a total of 7.51p—the previous total was 6.348p adjusted for the share sub-division and a one-for-four scrip issue.

	1978-79 £000	1977-78 £000
Turnover*	67,753	57,440
Trading profit	4,477	4,085
Investment income	189	214
Interest payable	921	821
Associates profits	889	645
Profit before tax	4,634	4,123
Tax†	1,317	1,583
Net profit	3,317	2,540
Minorities	5	8
Applic. McCorquodale	3,312	2,532
Extraord. debits	720	252
Pref. dividends	4	4
Ord. dividends	1,111	808
Retained	1,477	1,468

* Including associates' share £4.38m (£3.44m). † Less investment grant credit.

At the time of the June rights issue, a final dividend of 4.66p had been forecast on increased capital.

Total share capital and reserves have increased by £4.7m to £26m and now represent £1.63 per ordinary share.

• comment

Helped by some further reduction of Falconer's U.S. losses, McCorquodale has pushed profits ahead usefully; the rise in the net interest charge has been limited by two months of the rights issue cash. The CSEU strike pushed the engineering division into a small loss, and reorganisation costs held back profits in thermoplastics, but the printing businesses have pushed ahead solidly. Apart from some weakness in book publishing, the current year is turning out well. The group is fairly recession-proof and £5m pre-tax should be within reach. Meanwhile McCorquodale is investing heavily out of its own resources, and the dividend is covered by current cost earnings. Despite rising 15p to 103p yesterday the shares are not demandingly rated. The yield is a handsome 11.3 per cent and the prospective p/e around 6¼, fully-taxed.

Marler resumes dividends

After five years absence, Marler Estates returns to the dividend list with an interim payment of 1p net per 25p share for 1979-80.

Pre-tax income for the half year to September 29, 1979 jumped from £12,767 to £149,027 and revenue attributable to ordinary holders emerged at £70,536, compared with a deficit of £10,723. Stated earnings per 25p share were 1.8p (0.31p loss).

Sale of property and investments held for resale amounted to £3.5m (nil) for the half year. This was in respect of the sale of the freehod interest of Marler House, Bournemouth, referred to in the last published accounts, and the sale of two private companies acquired in the period.

Trading profits of £128,941 (nil) on sales of property and investments were after deducting £200,000 in respect of the liability to pay rent and service charges estimated at £85,340 per annum for the vacant 14,460 sq. ft. of Marler House.

On December 20, 3,615 sq. ft. of the vacant space was let and this letting will reduce the estimated annual liability for rent and service charges by some £21,335.

The sale for £150,000 of 209/215 (odd numbers) Anerley Road, London, SE, referred to in the 1978-79 accounts, was not completed and the purchaser's deposit of £11,500 was forfeit. Since September 29, negotiations have reached an advanced stage for its sale for an increased cash consideration.

Rents receivable for the half year were £84,529 (£90,952) and net income from completed properties slipped from £12,754 to £6,030. Interest receivable amounted to £14,056 (£13).

Blade Investments holds some 48 per cent of the equity.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Ailsa Investment ‖int.	3.5	—	2.5	—	5.84
Camford Engineering	2.84	—	2.51	4.47	3.99
Hogg Robinson int.	3	Mar. 31	2.7	—	4.94
Hollas Group int.	2	Mar. 31	0.98	—	5.23
Imry Property int.	2.5¶	Feb. 21	1.2	—	5.2
M and G Dual Trust	8.65	Mar. 4	7.1	15.65	13.1
Marler Estates int.	1	Feb. 21	Nil	—	Nil
McCorquodale	4.87	—	4.05*	7.51	6.35*
Melody Mills int.	1	Feb. 14	—	—	3*
RFD Group int.	0.8	Mar. 3	0.7	—	2.7
Technology Inv. Tst. int.	1.86‡	Feb. 8	1	—§	3.1
Westland	3	Feb. 22	1	4	1

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes special dividend of 0.36p. § Final of 2.1p forecast. ¶ To reduce disparity. ‖ Includes special interim of 0.413p.

SPAIN

January 9	Price %	+ or −
Banco Bilbao	206	−1
Banco Central	222	−4
Banco Exterior	214	−2
Banco Hispano	213	−3
Banco Ind. Cat.	137	
Banco Madrid	175	
Banco Santander	245	−2
Banco Urquijo	182	−5
Banco Vizcaya	213	−3
Banco Zaragoza	205	
Dragados	100	
Espanola Zinc	58	−2
Fecsa	54.5	+0.8
Gal. Preciados	30.5	+0.5
Hidrola	59.7	+1.0
Iberduero	59	+1
Petroleos	112	
Petroliber	73	
Sogefisa	115	
Telefonica	54	
Union Elect.	61.5	+2.5

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone: 01-638 8651

1979-80 High	Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
99	73	Airsprung Ord.	74	—	6.7	9.0	4.4†
50	38	Armitage and Rhodes	38	—	3.8	10.0	2.5†
223	185	Bardon Hill	222	—	13.8	6.2	6.5†
101	83	Deborah Ord.	93	+1	5.0	5.4	10.2
353	140	Deborah 17½% CULS	353	—	17.5	5.0	—
92	88	Frank Horsell	92	—	7.9	8.6	6.7
129	100	Frederick Parker	110	—	12.8	11.6	8.5†
156	109	George Blair	109	−1	16.5	15.1	—†
61	45	Jackson Group	60	—	5.2	8.7	3.5†
153	115	James Burrough	115	—	7.2	6.3	10.1
300	242	Robert Jenkins	250	—	31.3	12.5	8.0†
232	175	Torday Limited	222	—	14.3	6.4	6.8†
34	18¼	Twinlock Ord.	18¾	+0¼	0.8	4.6	3.5†
80	70	Twinlock 12% ULS	76	—	12.0	15.8	—
56	23	Unilock Holdings	56	—	2.6	4.6	11.9
84	42	Walter Alexander	82	−1	4.4	5.3	5.5
190	136	W. S. Yeates	184	—	11.5	6.3	7.1

† Accounts prepared under provisions of SSAP 15.

MINING NEWS

Diamond sales expansion slows after three years

BY KENNETH MARSTON, MINING EDITOR

AFTER THREE years of expansion to new records, the total value of world sales of rough gem and industrial diamonds marketed by De Beers' Central Selling Organisation fell slightly in terms of South African rands last year, as forecast in these columns.

The 1979 total value of R2.19bn (£1.17bn) compares with the 1978 peak of R2.22m. Reflecting the weakness of the U.S. dollar against the rand, however, the dollar value of the 1979 sales has risen modestly to $2.59bn from $2.55bn.

	Six months to June Rm	Dec. Rm	Year's Total Rm
1979	1,085.4	1,106.2	2,191.6
1978	1,063.5	1,155.4	2,218.9
1977	943.4	859.3	1,802.7
1976	681.9	670.0	1,351.9
1975	335.1	438.4	793.5
1974	525.5	313.6	849.1
1973	478.7	441.9	920.6
1972	323.4	332.1	655.5
1971	220.1	226.3	446.4
1970	200.7	177.7	378.4
1969	260.1	234.5	494.6
1968	203.2	225.6	428.8

Last year saw a full 12 months of the CSO's overall diamond price increase of 30 per cent, that was made in August 1978, together with the impact of the further overall increase of 13 per cent which came into effect in September, 1979. Thus, if the volume of diamond sales had been maintained, their 1979 total value would have been considerably higher.

Clearly, the CSO sold less diamonds last year. The main reason for this is that price resistance was beginning to make its impact on the big "middle" range of the jewellery market. Buyers were tending to go for a lower diamond content, or lower quality of gem stones, in each piece of jewellery which, of course, also contains a rising price gold content.

At the same time the polishing trade has been burdened, at high interest rates, with a big surplus of slow-selling smaller stones—ranging up to one carat in the rough—that were accumulated during the currency hedging scramble that developed in 1978. And earlier last year the De Beers chairman, Mr. Harry Oppenheimer, warned of a return to more normal conditions in the diamond trade.

Broadly speaking, demand for the larger gem diamonds has kept up well, particularly in the second half of last year. A top quality "de-flawless" polished gem of one carat which would have fetched about $25,000 at the end of last July moved up to a peak of around $40,000 shortly before Christmas and then dropped back to about $30,000.

Since then, the heightened political and currency uncertainties which have resulted in an acceleration of the rise in the price of gold may well have had an impact on hedge buying of such larger gems. Sales of the smaller polished stones which—rightly in my view—are not bought for investment purposes have not been much affected.

Whether the demand for larger gems will remain strong remains to be seen and, in all, the diamond buying outlook for this year is uncertain with the smaller gems continuing to overhang the market. But it is not a cause for undue concern; at the moment the trade is regarding sales as having reached a plateau.

The diamond trade has the strong financial backing of the CSO which was formed precisely for the purpose of regulating the supply of rough diamonds to the market—it controls the disposal of some 85 per cent of total world production—in a manner which aims to avoid sharp price fluctuations.

De Beers, with its large cash reserves and important gold income, can still be expected to have enjoyed the "satisfactory year" in 1979 that was anticipated by Mr. Oppenheimer in July. The group's 1979 results are due in March and should still bring a modest increase in the 1978 dividend level of 65 cents (35p) which was covered three times by earnings. De Beers were 7p down at 449p yesterday.

Ashton making good progress

THE DECEMBER quarterly progress report issued by Conzinc Riotinto of Australia on the exciting Ashton diamond exploration venture in Western Australia summarises the work done in 1979 on the Ellendale and Fitzroy prospects. Details of the sampling results are shown in the accompanying table.

Of the more recent find, at Argyle, near Kununurra—the "most significant event" of last year—it is stated that preliminary sampling of the kimberlite "pipe" deposit and the alluvial deposits which appear to have come from the pipe has given a much higher industrial quality diamond content than that obtained from the Ellendale kimberlites.

Sampling of the Ellendale and Fitzroy finds adds up to a large concentration of very small diamonds, the quality of which is not yet known. However, the more recent results so far obtained have been providing more larger stones than were earlier found.

In all, a huge area has to be covered by the sampling work and much remains to be done. However, the pattern is emerging of sizeable areas containing a good distribution of small diamonds. Ashton has the makings of at least one commercial diamond mining operation, but at this stage no worthwhile guesses can be made as to its likely profitability.

The feeling that Ashton has now made sufficient progress to be regarded more as a diamond mining proposition than merely a prospecting operation enlivened the market in the shares of the participants yesterday.

CRA (with a stake of 56.8 per cent in the ventures) rose 23p to 271p while Ashton Mining (24.2 per cent) gained 21p to 170p, Tanks Consolidated (9.1 per cent) put on 26p to 274p and Northern Mining (5 per cent) gained 18p to 158p. CRA's parent, Rio Tinto-Zinc rose 12p to 354p.

BULK SAMPLING—ELLENDALE

Pipe	Surface area hectares	material treated tonnes	diamonds recovered carats	No. of stones recovered	largest stone carats
"A"					
Higher grade	18	60,620	3,131.47	16,251	6.47
Lower grade	28	15,520	303.00	1,513	4.56
	46	76,140	3,424.74	17,764	
"B"					
Higher grade	12	34,580	4,706.00	44,988	6.15
Lower grade	72	520	15.12	159	1.46
	84	35,080	4,721.12	45,147	
"C"					
Higher grade	23	2,570	28.09	173	2.66
Lower grade	13	—	—	—	—
	36	2,570	28.09	173	
"D"					
Higher grade	3	3,110	31.97	351	6.23
Lower grade	10	—	—	—	—
	13	3,110	31.97	351	

SCOUT SAMPLING—ELLENDALE AND FITZROY

No. of pipes Sampled	surface area hectares	No. of samples treated	Weight of material treated tonnes	Diamonds recovered carats	No. of stones recovered
Ellendale 15	331	87	7,577	10.47	160
Fitzroy 15	404	90	4,071	0.44	14

RAND LONDON

Rand London proposes to make a rights offer of units in Rand London Coal, its wholly-owned subsidiary, comprising cumulative participating preference shares and ordinary shares.

Directors of Rand London believe that to maintain the growth rate of the group, further capital will be required to finance existing projects and new acquiistions. As a result of a restructuring of the Rand London group, all its coal interests were acquired by RL Coal, formerly Rand London Investments, for R14.3m (£7.6m).

ROUND-UP

The Rio Tinto-Zinc group's Canadian associates Rio Algom and Preston Mines have called meetings of their respective shareholders on January 30 in Toronto. Shareholders of both corporations will be asked to approve the amalgamation of the two companies which Rio Algom and Preston anticipate will take effect on January 31.

* * *

Australia's Jimberlana Minerals has placed 900,000 shares at A$1.40 per share in Sydney. The placing is designed to raise funds for the continuing activities in South Africa, Western Australia and the Northern Territory, and for the exploration areas in West Irian.

F.T.-ACTUARIES SHARE INDICES

QUARTERLY VALUATION

The market capitalisations of the groups and sub-sections of the FT-Actuaries indices as at December 31, 1979, are expressed below in millions of pounds and as a percentage of the All-Share Index. Similar figures are also provided for the two preceding quarters.

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses denote number of stocks)	Market capitalisation as at Dec. 31, 1979 (£m.)	% of all share index	Market capitalisation as at Sept. 28, 1979 (£m.)	% of all share index	Market capitalisation as at June 29, 1979 (£m.)	% of all share index
1	CAPITAL GOODS GROUP (172) ...	9,126.4	14.23	10,283.3	14.56	10,069.2	14.78
2	Building Materials (27) ...	1,729.0	2.70	1,972.4	2.79	1,846.3	2.70
3	Contracting, Construction (29) ...	820.5	1.28	924.6	1.31	863.6	1.26
4	Electricals (15) ...	2,892.3	4.51	3,298.0	4.67	2,888.3	4.23
5	Engineering Contractors (11) ...	325.2	0.51	506.9	0.72	553.9	0.81
6	Mechanical Engineering (74) ...	2,312.9	3.60	2,442.3	3.46	2,764.7	4.05
8	Metals and Metal Forming (16) ...	1,046.5	1.63	1,139.1	1.61	1,152.4	1.69
11	CONSUMER GOODS (DURABLE) GROUP (50) ...	2,530.4	3.94	3,116.1	4.41	3,048.7	4.46
12	Lt. Electronics, Radio, TV (15) ...	1,661.0	2.59	2,108.0	2.99	1,972.3	2.89
13	Household Goods (14) ...	170.6	0.26	208.2	0.29	192.4	0.28
14	Motors and Distributors (21) ...	698.8	1.09	799.9	1.13	884.0	1.29
21	CONSUMER GOODS (NON-DURABLE) GROUP (173)	15,879.7	24.76	18,682.4	26.46	18,177.6	26.60
22	Breweries (14) ...	1,959.2	3.05	2,242.2	3.18	2,079.0	3.04
23	Wines and Spirits (6) ...	916.0	1.43	1,037.3	1.47	930.8	1.36
24	Entertainment, Catering (17) ...	1,301.7	2.03	1,687.2	2.39	1,652.6	2.42
25	Food Manufacturing (19) ...	2,475.1	3.86	2,653.9	3.73	2,668.6	3.91
26	Food Retailing (15) ...	1,464.5	2.28	1,547.4	2.19	1,440.6	2.11
32	Newspapers, Publishing (12) ...	246.8	0.39	270.5	0.38	273.3	0.40
33	Packaging and Paper (15) ...	801.4	1.25	922.5	1.31	896.4	1.31
34	Stores (43) ...	4,523.8	7.05	5,655.5	8.01	5,521.4	8.08
35	Textiles (23) ...	698.1	1.09	846.7	1.20	894.1	1.31
36	Tobaccos (3) ...	1,450.7	2.26	1,777.9	2.52	1,757.1	2.57
37	Toys and Games (6) ...	42.3	0.07	59.3	0.08	63.2	0.09
41	OTHER GROUPS (98) ...	8,875.3	13.84	9,914.8	14.04	9,474.8	13.87
42	Chemicals (18) ...	3,059.4	4.77	3,226.5	4.57	3,066.9	4.49
43	Pharmaceutical Products (7) ...	1,513.1	2.36	1,837.3	2.60	1,692.4	2.48
44	Office Equipment (6) ...	558.7	0.87	665.8	0.94	632.4	0.93
45	Shipping (10) ...	588.3	0.92	631.0	0.89	631.2	0.92
46	Miscellaneous (57) ...	3,155.8	4.92	3,554.5	5.04	3,451.9	5.05
49	INDUSTRIAL GROUP (493) ...	36,411.8	56.77	41,996.6	59.47	40,760.3	59.65
51	Oils (7) ...	9,795.6	15.27	9,401.3	13.32	9,406.0	13.77
59	500 SHARE INDEX ...	46,207.4	72.04	51,397.9	72.79	50,166.3	73.42
61	FINANCIAL GROUP (117) ...	11,411.8	17.80	12,242.5	17.34	11,566.7	16.93
62	Banks (6) ...	3,146.5	4.91	3,252.6	4.61	3,227.1	4.72
63	Discount Houses (10) ...	136.4	0.21	156.0	0.22	161.4	0.24
64	Hire Purchase (5) ...	221.7	0.35	245.3	0.35	211.6	0.31
65	Insurance (Life) (10) ...	1,166.8	1.82	1,228.2	1.74	1,130.5	1.65
66	Insurance (Composite) (8) ...	2,320.0	3.62	2,496.2	3.54	2,340.9	3.43
67	Insurance Brokers (10) ...	706.5	1.10	735.4	1.04	687.2	1.01
68	Merchant Banks (14) ...	435.9	0.68	491.8	0.70	465.5	0.68
69	Property (44) ...	2,670.5	4.16	3,016.1	4.27	2,754.6	4.03
70	Miscellaneous (10) ...	607.7	0.95	616.9	0.87	589.9	0.86
71	Investment Trusts (109) ...	3,464.1	5.40	3,952.8	5.60	3,769.7	5.52
81	Mining Finance (4) ...	1,686.2	2.63	1,521.8	2.15	1,291.6	1.89
91	Overseas Traders (20) ...	1,365.4	2.13	1,499.1	2.12	1,530.6	2.24
99	ALL-SHARE INDEX (750) ...	64,136.9	100	70,614.1	100	68,324.9	100

NEW LIFE BUSINESS

Good year for Eagle Star

BY ERIC SHORT

A SUCCESSFUL year for new life business is reported for 1979 by the Eagle Star Group with new annual premiums up by 20 per cent from £23.4m and single premiums 8 per cent higher at £52.1m against £48.2m. New sums assured amounted to £2.1bn compared with £2.23bn in 1978.

In the UK, total new annual premiums showed a 25 per cent rise from £19m to £23.7m, while new single premiums advanced by 8 per cent from £48m to £52m. Net new amounts assured declined from £1.9bn in 1978 to £1.76bn last year, this drop coming entirely from a fall in new group life contracts which achieved a record level in 1978.

The group had a successful year last year for ordinary life business in the UK, with new annual premiums doubling from £2.3m to £5.4m. Business in connection with mortgages improved, the sales being boosted by a strong demand for top-up mortgages. In addition there was a substantial rise in building society linked schemes, where the annual premium in 1979 amounted to £2.2m against £100,000 in 1978. New individual single premiums and annuity considerations were 6 per cent higher at £10.9m against £10.3m, with immediate annuity business holding up strongly.

New annual premiums on UK pensions business advanced by 10 per cent from £16.7m to £18.3m. Executive pension scheme business rose by 50 per cent and group pensions business held the record levels achieved in 1978. But the self-employed business declined by 30 per cent in what was a patchy market last year.

Single premium and annuity considerations in respect of pensions business showed a 9 per cent improvement, with compulsory purchase immediate annuity business amounting to over £30m—the company being a leader in this field.

The managed fund subsidiary, Eagle Pension Funds, also had a successful year in 1979. It received new annual premiums, included in the group figures, amounting to £1.8m and in addition a further £8.9m of annual premium income came from pension schemes previously insured with the parent company.

EQUITY & LAW

A drop in new life business, both annual and single premiums, is reported for 1979 by the Equity and Law Life Assurance Society. New annual premiums fell by 12 per cent from £19.3m to £16.9m and single premiums by 7 per cent from £29.8m to £27.8m. New sums assured were marginally higher at £901m against £896m.

However, new annual premiums on individual life and annuity business showed a growth of nearly 10 per cent from £10.2m to £11m. This growth occurred in most sectors of the market, with the contribution from unit-linked business doubling from £1.3m to £2.6m. But there were rises in term assurance business and ordinary with- and without-profits contracts.

Group annual premium business showed a substantial drop from £9.1m to £5.9m, with virtually no new group scheme business being effected. But premiums from increments were higher, rising by nearly 20 per cent from £4.3m to £5.1m. This drop in new scheme business was expected once the new State pension scheme was operative.

Individual single premium business fell by 8 per cent from £27.2m to £25m, the decline coming from the lower sales of guaranteed bonds. These fell from £14.1m in 1978 to £9.3m. Single premiums on group business were marginally higher at £2.8m against £2.6m.

Life business in the Netherlands, included in the above figures, showed a similar pattern to that in the UK. Business in Germany remains small.

Mortgage market aids Sun Life

STRONG GROWTH last year in individual life and annuity business enabled the Sun Life Assurance to achieve a 12 per cent increase in new annual premiums from £30.8m to £34.4m. But single-premium business fell by over 7 per cent from £33.1m to £30.6m.

New annual premiums on individual business rose by 45 per cent from £7.2m to £10.5m. Mr. Richard Zamboni, managing director of the Sun Life Group, attributed this impressive increase mainly to a strong mortgage market and the success of the company's low-cost endowment as a means of mortgage repayment.

Sun Life has been conducting a vigorous advertising campaign and the company feel that this has had some effect on the new business results.

However, single premiums on individual business declined by over 12 per cent from £24.9m to £21.8m. This came from a substantial drop on the sales of guaranteed growth bonds, with other life companies offering a more competitive product. The annuity business, including that connected with special school fee schemes, remained at the previous year's level.

New annual premiums for group pensions business improved marginally from £13.4m to £13.7m, but single premiums were cut by one-third from £3.4m to £2.2m. Mr. Zamboni, considered it gratifying to see the 1978 record figures for group business consolidated last year.

The company achieved considerable success in the executive and self-employed pensions market, executive pension annual premiums advancing by 13 per cent to £9.6m and self-employed, a market that was generally dull in 1979, by 14 per cent to £2.5m.

New business achieved by the Group's unit-linked subsidiary, Solar Life Assurance was mixed. New annual premiums improved by 50 per cent from £400,000 to £600,000, but single premiums fell back slightly from £6.1m to £5.8m.

SCOTTISH MUTUAL

A successful year in 1979 for new life and pensions business is reported by The Scottish Mutual Assurance Society, with new annual premiums up by 22 per cent from £6.9m to £8.4m and single premiums more than doubled from £2.3m to £5.8m. New sums assured were £343m against £245m and new pensions and annuities per annum unchanged at £18.2m.

The growth in annual premium business came from both individual and group contracts, with individual new annual premiums rising by 22 per cent from £4.4m to £5.4m and group by 19 per cent from £2.3m to £2.7m.

Both the executive and self-employed pensions sectors were buoyant, new executive pension premiums jumping 42 per cent to £1.64m and self-employed by 26 per cent to £2.34m. This improvement in self-employed business was against the general trend with other life companies, which have shown a decline.

Single premium growth came from a strong marketing of immediate annuities, which amounted to £3.7m against £500,000 in 1978.

TARGET LIFE

Successful marketing of high income bonds in 1979 resulted in the single premium business of Target Life Assurance doubling last year from £9.4m to £20.1m. The market for income bonds is a highly volatile one and the continuing high level of interest rates make conditions favourable for this type of contracts. Sales of income bonds amounted to £19m against £8.5m in 1978.

The company also recorded a 42 per cent rise in new annual premiums, a record increase, from £3.94m in 1978 to £5.60m. Self-employed and executive pensions business was marginally up, but the growth came from sales of ordinary linked savings schemes. Sales benefited from the changeover in the method of crediting tax relief on regular savings life business.

Akroyd and Smithers well placed—sees economic upturn

WHILE ADMITTING that the current financial year began in somewhat "turbulent conditions," Mr. David LeRoy-Lewis, chairman of Akroyd and Smithers, the stockjobbers, remains confident that the Government is on the right course.

"The right policies have been adopted," he tells shareholders in his statement accompanying the annual report and account, "and, although a recession will probably have to be endured as the price of correcting past excesses, it is becoming increasingly realistic to visualise the successful outcome of these policies."

Mr. LeRoy-Lewis also points out that Akroyd "should be well placed to take advantage of any recovery that eventually takes place."

Nevertheless, the balance sheet position for the October 5 year-end shows that bear positions of £336.1m outweighed bull positions of £316.78m. Mr. LeRoy-Lewis congratulates his dealers for having "in general correctly anticipated" market movements.

For all his confidence in the new Government, Mr. LeRoy-Lewis takes the opportunity in his statements of warning the Bank of England and the Treasury against developing any new techniques of funding Government debt "which insulated the Government from the discipline of the market." He believes, however, that the new system of issuing gilts at a minimum tender price is both acceptable to the market and beneficial to Government.

As already published, pre-tax profits jumped to £11.1m compared with £107,000 the previous year. Net assets rose to £19.1m from £14.9m.

Akroyd has spent the year consolidating its expanded activities in South African gold mining shares and in Eurobonds. But Mr. LeRoy-Lewis complains that further expansion has been inhibited by the Stock Exchange rules which restrict dealings in international securities. The Stock Exchange's current plans to allow jobbers limited contact with non-member market makers, he regards as "a modest relaxation."

The accounts also reveal that during the year that more than half the directors sold significant numbers of shares whereas none increased his holdings with the exception of a new director.

Directors' shareholdings of 7.1 per cent however, are overshadowed by outside interests. Insurance companies, pension funds and investment and unit trusts, between them hold 40.8 per cent of the equity and a further 20.1 per cent is held in nominee names.

Over 70 employees excluding directors tok hom more than £20,000 last year and 27 of these earned more than £30,000.

Dubilier's progress continuing

FOLLOWING THE satisfactory end to 1978-79, results of Dubilier for the first two months of the current year show some improvement over the same period last year, in spite of difficulties in some areas, Mr. R. G. Hooker, the chairman, tells shareholders.

It is company policy to continue investing heavily in plant and equipment, says Mr. Hooker, with the object of continually raising productivity and improving competitiveness.

Capital expenditure last year amounted to £1.07m, largely funded internally and with the emphasis on new products, the group's UK and overseas marketing programmes have been further strengthened.

In the year ended September 30, 1979, pre-tax profits increased 18 per cent to a record £1.3m and with turnover and export sales also considerably higher at £12.8m and £2.18m respectively, much of the ground lost in the first half of the year was recovered.

The chairman warns of the economic problems facing the UK and the possibility of a worldwide recession in 1980 but says the group enters the year with confidence and determination to minimise any effects on the group's performance.

The group makes and distributes capacitors, resistors, connectors, fuses and electrical devices to the electric and electronic industries. Meeting, Winchester House, EC, January 31 at noon.

REPORTS AND ACCOUNTS IN BRIEF

CHEMRING (electronic counter-measure products manufacturer)—Results for year ending September 30, 1979, reported December 15 in full preliminary statement. Net current assets £997,620 (£960,289) increase in funds £128,307 (£186,823). Meeting, Portsmouth, January 25 at noon.

FAIRLINE BOATS—Results for year to September 30, 1979, reported December 6 in full preliminary statement. Current assets £1.54m (£1.16m), current liabilities £1m (£0.63m). Increase in liquid funds £134,024 (£86,111). Meeting, Peterborough, February 6, at 3 pm.

GLOBE AND PHOENIX GOLD MINING COMPANY—Results for half-year ended June 30, 1979: Rhodesia—attributable loss $16,704 ($34,516), or 1.89 cent (4.31) per stock unit. Turnover $324,564 ($250,542). UK—loss £1,929 (£2,975 profit) after tax £4,166 (£4,986), giving 0.22p loss (0.37p earnings) per share. Results include figures of Phoenix Prince Gold Mining from July 24, 1978.

THE PROPRIETORS OF HAY'S WHARF (Shipping, property, oils and chemicals)—Results for year ended September 30, 1979, reported November 30 in preliminary statement with prospects. Group fixed assets £52.72m (£47.33m restated). Current assets £22.11m (£17.14m), including £1.91m (£572,000) bank balances and cash. Current liabilities £17.9m (£16.74m), including £265,000 (£3.64m) overdrafts. Proposed to increase directors' fees from £1,500 to £5,000, and chairman's and deputy chairman's shared fee to be not greater than £10,000 (£3,000). Meeting, Glaziers' Hall, London Bridge, SE, January 31, at noon.

INVESTMENT TRUST OF GUERNSEY—Net asset value on December 31, 1979, was 204p per share.

KELSEY INDUSTRIES (solder manufacturer, industrial roofer and insulation contractor)—Results for year to September 30, 1979, reported December 5 in full preliminary report. Current assets £11.5m (£8.7m). Current liabilities £5.16m (£2.96m). Meeting, Hemel Hempstead, February 5, 11 am.

D. M. LANCASTER (industrial holding company)—Results for June 30, 1979 year already known. Group fixed assets £15,424 (£15,867), net current assets £230,370 (£222,495). Cash at banks and in hand £157,709 (£126,568). Resolutions regarding proposed acquisition of Club 18/30 (London) will be submitted at meeting for shareholders' approval. Meeting, Westbury Hotel, W, January 11, 2 pm.

LONDON AND BRUSSELS FUND—Interim distribution on income units for the period June 20, 1979-June 17, 1980, will be 1.016p net per unit (0.566p) payable on January 31, 1980.

MERRYDOWN WINE—Home sales for half year to September 30, 1979 (net of duty) £1.34m (£1.05m) plus exports £125,434 (£101,977). Trading profit £124,260 (£110,681); interest £60,659 (£35,219); pre-tax profit £64,701 (£75,462). No liability for Corporation Tax is expected in year to March 31. Chairman reports margins suffered from higher interest charges and inflation generally. December quarter "reasonably satisfactory." Company confident of maintaining if not improving on its share of the market.

STAVERT ZIGOMALA—Trading profit for half year to September 30, 1979, £2,210 (£2,989). Investment income franked £12,420 (£11,309) and unfranked less bank interest paid £1,104 (£422). Pre-tax profit £15,742 (£14,720). Tax £5,453 (£5,608).

TOMKINSONS CARPETS—Results for September 30, 1979 year reported December 1 with prospects. Group fixed assets £2.42m (£2.58m), net current assets £2.83m (£2.9m). Net liquid funds decreased by £425,731 (£387,285 increase). Meeting, Kidderminster, February 5, noon.

BIDS AND DEALS

Jeeves bought by Tricoville

Fashionwear manufacturer Tricoville is to pay £695,000 cash for Jeeves of Belgravia, the up-market clothes care company owned by its founders Mr. Sydney Jacob and Mr. Ronald Jacob.

Tricoville will also pay £80,000 for 10 per cent of Jeeves of Belgravia International, in which Mr. Sydney Jacob has a majority holding.

Jeeves of Belgravia International franchises the Jeeves marque outside the UK, and it will grant the British Jeeves company 99-year rights to operate in western Europe.

Under the terms of the sale, Tricoville has an option to buy from Jeeves International 10 per cent of the issued share capital of the British Clothes Care Company of America, jointly owned by International and Neil and Spencer Holdings. BCCC has the American Jeeves franchise.

A consultancy company owned by Mr. Sydney Jacob, Plum Projects, will provide consultancy services to Jeeves of Belgravia for 25 years for a profit-related fee of at least £25,000 annually.

Jeeves profits for the six months to October, 1979, were £96,000, from four London shops. Tricoville expects to establish two more British shops and two European shops within five years. It is also looking into licensing Jeeves clothes care products.

P & O OIL/GAS DEAL NEARS COMPLETION

P & O, Britain's biggest shipping company, has virtually completed the sale of its U.S. oil and gas interests—a move which it first announced in early November.

The company announced yesterday that the first closing of the sale of P & O Oil Corporation, to Southland Royalty, had been completed with the payment to P & O of $128.8m. After repaying the non-recourse loans, P & O will receive $83.5m. The deal will result in a $74.3m capital profit for P & O and this will be shown as an extraordinary item in the 1979 accounts.

The first part of the deal involving the oil and gas in the ground, the valuation of which was the most difficult part of the transaction, has now been completed. The second, and final closing, is scheduled for April, 1980 and this is expected to lead to P & O receiving an extra $1m. P & O still retains its Falco oil trading operation at Schreveport.

C. CZARNIKOW BUYS DUTCH COMPANIES

C. CZARNIKOW, London-based trading company with particular interests in sugar, has acquired two companies from HVA, the Dutch agricultural and trading group, which has sold off most of its trading interests to concentrate activities in the agri-industrial sector.

Mirandolle, Voute En Co., which trades in coffee and essential oils, and Cantzlaar and Schalkwijk, edible oils and fats company, have been acquired by Czarnikow with effect from January 2. The two companies will operate from the present offices of Cantzlaar in Rotterdam.

HVA has also sold its stake of about 51 per cent in Heybroek En Company's Handelmij to Caldic Holding of Rotterdam. Caldic manufactures chemical products.

Talks are continuing between HVA and an unnamed foreign company over the sale of the Dutch group's 50 per cent interest in Chemie Combinatie Amsterdam. HVA had earlier hoped to conclude these talks before the end of 1979.

Standard Fireworks welcomes Stanley stake

A BELFAST company has bought 360,000 shares in Standard Fireworks, giving it a 21.6 per cent stake in the Huddersfield group, which is one of the largest in the UK fireworks industry.

Standard's managing director, Mr. Derrick Worthington, said yesterday that he had not heard anything from Stanley, which he thought was a privately-owned leisure and betting shop company.

But he said he was not concerned at the size of the new holding — "we are happy to have them as shareholders." He thought Stanley, from whom no comment was available yesterday, had bought its shares in several large blocks.

Standard's other major shareholder is Britannic Assurance, which has 6.7 per cent. Shares of Standard, whose pre-tax profits rose from £209,000 to £408,000 in the year to March 31, 1979, closed 2p higher yesterday at 72p.

EAGLE STAR/SUNLEY MEMBERS APPROVE

Shareholders of both Eagle Star Holdings and Bernard Sunley Investment Trust at meetings yesterday, approved without modification, the proposed scheme of arrangement for the acquisition by Eagle Star of all the ordinary shares in BSIT other than those already owned by Eagle Star group.

A petition is to be presented to the High Court for approval. This is expected to be heard on February 4. If the court then sanctions the scheme it should become effective on February 8.

CARLIOL/TYNESIDE REMAIN SILENT

Shareholders of Carliol Investment Trust and Tyneside Investment Trust will be contacted by their directors "in the next few days," following the approach by Hume Investment Trust.

Mr. Peter Hill-Walker, managing director of both Tyneside and Carliol, said no written proposals had yet been received and until this was the case he could not comment. Hume, which is a subsidiary of Rothschild Investment Trust, said yesterday that its plans "essentially involve the unitisation of Carliol and Tyneside."

PILKINGTON BROS. BUYS LEENSHIRE

Pilkington Brothers has acquiredLeenshire for £250,000, satisfied by 126,582 shares. Leenshire, which designs and manufactures electronic systems for process control and data transmission, had net assets of about £110,000 at October 31, 1978.

£1M SYSTEM BUILD COMPANIES MERGER

The Wernick Group of Companies has purchased Secometric for around £1m.

Wernick claims to be the largest privately-owned manufacturer of timber-framed system buildings in the UK, while Secometric has built up a considerable business in the same field.

SHARE STAKES

Tebbitt Group — Dr. H. Fletcher, director, has disposed of his entire beneficial holding of 200,000 shares (2.08 per cent) at 16½p. Mr. Alan T. Payne, financial director, has beneficially acquired 50,000 shares (0.52 per cent) at 16½p.

Comfort Hotels International—Mr. R. Kaye has disposed of 188,913 ordinary shares.

Elswick-Hopper — Sir Ralph Carr-Ellison, director, has sold 1,000,000 ordinary shares.

Montfort (Knitting Mills)—David Dixon and Son Holdings has reduced its holding to 317,500 shares (10.53 per cent) from 350,000 shares (11.61 per cent).

Johnson, Matthey and Co.—Prudential Assurance Company holds 2,953,365 shares and Charter Consolidated holds 14,970,935 shares.

Blackman and Conrad—D. Alderman, director, has purchased 22,000 ordinary through Fairview in which he is the majority shareholder.

English and Overseas Investments: Tulip Investments, a company owned by Mr. O. Christensen, director, has acquired 56,700 ordinary shares.

Rothschild Investment Trust: Mr. Jacob Rothschild has acquired 25,000 ordinary shares.

W. L. Pawson and Son: Mr. S. J. Wootliff, chairman and managing director, has acquired 25,000 ordinary shares.

F. and C. Eurotrust: Foreign and Colonial Investment Trust has acquired 75,000 ordinary shares and now holds 500,500 shares, 6.67 per cent.

Sime Darby Berhad: Mr. Wee Cho Yaw, director, now holds 1,094,801 shares non-beneficially, and 60,000 shares beneficially.

Titaghur Jute Factory: Mr. H. J. Silverston, director, has acquired 33,000 ordinary shares, 7.1 per cent.

South Crofty: Saint Piran now holds 10,770,000 shares (57.6 per cent).

Brigray Group: The Welsh Development Agency has exercised the right to convert their 11½ per cent convertible loan note 1980-87 into ordinary shares and now holds 3,200,000 shares (99.5 per cent).

Rightwise: Jazerite Holdings has disposed of 100,000 ordinary shares and is therefore now interested in 655,620 ordinary shares (45.9 per cent). REA Holdings, a subsidiary of Jazerite has purchased the 100,000 ordinary shares (7 per cent).

London Merchant Securities—Trustees of the Max Rayne Second Family Settlement and Max Rayne Third Family Settlement notify that Lord Rayne has acquired a further 29,557 shares. Lord Rayne is now beneficially interested in 3,468,774 shares and non-beneficially in 60,235,762.

Wharf Mill Furnishers—On December 17, the date of their appointment as directors, Mr. M. Brown and Mr. J. Tattersall held respectively 44,500 and 54,500 ordinary shares. On December 27, Mr. Brown acquired a further 55,500 and Mr. Tattersall a further 39,500. Of these shares, the 50,000 of those acquired by Mr. Tattersall were purchased from Mr. S. E. Boler who now holds 920,000 (57.56 per cent).

Property Holding and Investment Trust—As a result of recent increase in Trust's capital, Prudential Corporation's holding of 1,821,200 shares is now less than 5 per cent.

Montfort (Knitting Mills)—Palma Textiles Group has acquired further 20,000 shares and is interested in 547,500 (18.17 per cent).

Ewart New Northern—London Trust Company has acquired 65,000 shares (10.02 per cent).

Wheway Watson Holdings—Britannic Assurance Company holds 1.6m shares (7.96 per cent).

Wolstenholme Rink—Dr. A. G. Wolstenholme, director, disposed of 44,500 shares on November 22, leaving holding of 500,000 in his own name.

Fodens—J. A. Stubbs, director, has acquired an interest as a trustee in 36,874 shares.

Knaick Holdings—A. Chatalos, chairman, has bought further 25,000 shares at 15p.

London Investment Trust—On December 18 Valen disposed of its interest in 1,489,307 shares (6.35 per cent). On same day Vale Securities acquired an interest in 1,489,307 (6.35 per cent).

NORTH AMERICAN NEWS

Atlantic Richfield plans $3bn spending

By Our Financial Staff

ATLANTIC RICHFIELD, the major U.S. oil group, plans capital expenditure of $3bn this year compared with $1.8bn last year. The company said, however, that the 1980 budget was "highly dependent" on cash flow from existing operations.

It added that the spending may have to be trimmed if the "windfall profits tax" being deliberated by Congress greatly restricted the profitability level required for its 1980 programme.

Atlantic Richfield, which has a significant stake in Alaska's Prudhoe Bay oil and gas field and controls the Observer newspaper of London, said that 71 per cent of its 1980 budget would go to oil and gas exploration and production in the U.S. Overseas exploration would, however, also be increased.

The main overseas activities would cover expanded drilling in Indonesia and new operations in Norway, Chile, Somalia and some other areas.

Pillsbury grain sales assurance

Pillsbury, the food and restaurant group, said that the embargo on grain sales to the Soviet Union should not have a significant effect on earnings for the year ending May 31, reports Reuter from Minneapolis. Its grain merchandising division, which does not make direct sales to the USSR, is ahead of its profit plan and also expects to finish the fiscal year ahead of plan.

Support for Chrysler deal

The United Autoworkers Union council said it recommended Chrysler Corporation workers to ratify a new contract with the company, Reuter reports from Detroit. The rank and file vote is to begin on Sunday and will be completed by February.

Charter withdraws from ERC takeover battle

BY STEWART FLEMING IN NEW YORK

CHARTER COMPANY, a rapidly expanding U.S. oil company with interests in life assurance and publishing, is dropping its efforts to take over reinsurer ERC Corporation after a decision by ERC not to recommend an increased $600m takeover offer.

Charter said yesterday that it had told ERC that it was prepared to increase its offer for ERC from $90 a share in securities to $100 a share. But the Board of ERC retorted that it was not prepared at present to act in support of Charter's offer.

The new Charter offer followed an announcement from Connecticut General Insurance, the seventh largest U.S. life assurance company, that it was prepared to increase its $80 a share offer for ERC to a $90 a share cash bid if ERC would recommend the deal.

The Connecticut General announcement came after a decision from the State of Missouri Insurance Department that it intended to block the Connecticut bid for ERC on the grounds that it would adversely affect competition in the state's insurance market.

Charter had originally come into the bidding for ERC after the announcement that Connecticut General was interested in taking control of the reinsurance company with an offer worth $80 a share. ERC rejected the Connecticut General bid and encouraged the rival offer

The events of the past two days raise the possibility that ERC will be able to avoid being absorbed by either contender and will remain one of the few independent substantial reinsurance companies in the U.S. It may well face shareholder pressure, however, to accept one of the offers.

Brascan attacks Zinor move

TORONTO — Brascan will continue discussions with other shareholders of Noranda Mines to obtain their support of Brascan's position on recent moves by Noranda.

Brascan says it opposes the formation by Noranda of Zinor Holdings, which reduced Brascan's interest in Noranda from 16.3 to 14 per cent.

The ownership of Zinor, which holds 23.6 per cent of Noranda, is widely split among affiliates and subsidiaries of Noranda.

Brascan president Mr. J. Trevor Eyton said that Brascan continues "to feel very strongly that the Zinor transactions are improper and as a result Brascan does not consider the Zinor shares to be outstanding."

He added that Brascan is reluctant to initiate legal proceeding to rescind the Zinor transaction.

However, Brascan believes that its views on the Zinor transactions, when supported by other shareholders of Noranda, will compel Noranda management to take appropriate steps to remedy the legal difficulties implicit in the Zinor transactions.

He said Brascan has had talks with four institutional shareholders of Noranda and plans to continue these talks and speak to other Noranda shareholders.

Mr. Eyton hoped that shareholders will support Brascan's request for Board representation and cumulative voting.

Brascan had asked Noranda not to proceed with any further significant dilution of the Noranda shareholdings pending a resolution of the legal difficulties affecting the Zinor transactions.

However, Noranda announced on Monday a bid for Maclaren Power and Paper.

The bid is $40 a share for each class A and B share or the option of 11 Noranda shares for each six Maclaren class A and B shares.

Reuter

$900m railway merger agreed

BY OUR NEW YORK STAFF

THE RESHAPING of the American railways took another important step yesterday when Union Pacific and Missouri Pacific, the nation's sixth and ninth largest railway companies respectively announced terms for an agreed merger. If this and two other merger proposals go through, the U.S. will have three new railway conglomerates during 1980. The Union-Missouri company would be the third largest of them with 21,200 miles of track.

The biggest network would be the group led by the Burlington Northern and St. Louis San Francisco followed by a proposed group involving the Chessie system railway.

A series of mergers has long been regarded as a key to revitalising the U.S. railroads both in terms of profitability and efficiency. The proposed Union-Missouri deal would involve a stock swap with one Missouri common share converting to 0.55 of every Union common plus a 0.275 of a new preferred share. With Union shares trading yesterday at $71, that gives the deal a value of about $900m.

Union's rail network lies in the 13 western states and will fit well with Missouri's operation in 12 states in the south-west, mid-west and mid-south areas.

In 1978, Union Pacific had total revenues of $2.96bn, while Missouri had sales of $1.7bn.

The proposed combined railroad would range from Seattle in the North-West to New Orleans in the South-East.

Lockheed aims for small plane market

By Our New York Staff

LOCKHEED, the Californian aerospace company, is to design, develop and start production of a light twin-engine version of its Hercules transport aircraft within the next 27 months.

To be named the L-400, the aircraft is aimed at countries which will need to phase out ageing troop and general purpose civilian transport aircraft, especially developing countries.

Because of the relatively low development costs associated with the production of an aircraft derivative, the company is optimistic that it will prove a financially successful venture.

Lockheed says that it has identified a market for 400 L-400 type aircraft in 40 countries.

Although primarily designed for export, the company said that it was also hopeful thaat, as airline deregulation took shape, there might be a demand in the U.S. for a simple, fuel efficient unsophisticated aircraft like the L400.

Adapted for passenger use—the L400 will have Federal Aviation Authority certification for civil use as well as being of obvious military and paramilitary application

It will be powered by propjet engines built by the Allison division of General Motors and will be priced, Lockheed says, at around 75 per cent of the existing Lockheed four-engined C 130H transporter, which currently sells for around $10m.

Lockheed has had a successful run with its Hercules range, selling around 1,600 of the propjets since the mid-1950s, but the company's recent profitability has been severely undermined by heavy losses on its TriStar L1011 programme.

In the third quarter of last year, net income plunged to $1.1m and the company expects to fall below its $55m total in 1978 when its full 1979 figures are published. In the first nine months of last year, the company lost $137.4m on the TriStar programme.

Rothschild in Mexican venture

By Our Financial Staff

BARON Edmond de Rothschild, head of the French branch of the Rothschilds, yesterday launched an enterprise in Mexico City which will step up European participation in Mexico.

The company, Finvest de Mexico, is a joint European/Mexican venture with a 51 per cent ownership by Mexican interests. President of Finvest de Mexico is Don Bruno Pagliai, one of the country's leading private industrialists.

The 49 per cent foreign participation in Finvest is divided equally between three European groups. The Baron de Rothschild Group, through its fully-owned Banque Privee of Geneva, the Edgar de Picciotto Group, through Compagnie de Banque et D'Investissements, through Compagnie Pour le Financement et L'Investissement — Finvest of Geneva. The aim of Finvest is to act as a truly independent investment banking concern, operating as a bridge between Europe and Mexico.

EUROBONDS

Sterling sector moves ahead

By Francis Ghilès

IN WHAT remains otherwise an essentially dull and quiet international bond market, sterling denominated bonds posted gains of up to $1\frac{1}{4}$ per cent on the day, though average gains were $\frac{3}{4}$-$\frac{1}{2}$ of a point. The GEC $12\frac{1}{2}$ per cent to 89 bond finished the day at $94\frac{1}{4}$, having risen $1\frac{1}{4}$ per cent on the day.

The reason cited for this increase was news of the changes in the UK Inland Revenue's attitude to the taxation of interest on new direct bond issues by UK companies. Trading volume remained thin, however.

In the Yankee sector, First Boston priced the double tranche $250m issue for the on Tuesday night. The $150m European Investment Bank late seven-year tranche carries a coupon of $11\frac{3}{4}$ per cent and was priced at 99.15 to yield 11.81 per cent on an AIBD basis, while the 20-year tranche carries a coupon of $11\frac{7}{8}$ per cent and was priced at 98.65 to yield 12.06 per cent.

In the Eurobond sector, straight dollar bonds were a fraction up on a day where no great movement in the price of gold or the value of the dollar was reported.

The terms of the latest D-Mark 150m foreign bond issue for the Inter American Development Bank, which offers investors an indicated yield of 8.13 per cent, were felt by dealers to be on the generous side. This bond, which includes a bullet maturity of eight-year, carries an indicated coupon of eight per cent and a price of $99\frac{1}{4}$. These terms caused other secondary market bond prices to be marked down by about $\frac{1}{4}$ of a point.

Consolidated Bathurst to raise newsprint prices

BY IAN HARGREAVES IN NEW YORK

THE PRICE of newsprint in North America will rise by 6.5 per cent this spring.

Consolidated Bathurst, the leading Canadian newsprint producer, made a surprise announcement of a 6.5 per cent increase from May. Other newsprint producers are expected to follow suit.

U.S. supplies of newsprint have been very tight recently, with stocks slumping to their lowest level for seven years at the end of last year as demand accelerated.

Newsprint consumers feared that producers would take advantage of this to pass on higher energy and transport costs. Analysts say there should be little difficulty in making the prices hold in the market.

Consolidated Bathurst's price for newsprint sold in the U.S. will go from $413 to $440 per tonne. The price was last raised, by 8.7 per cent, in October.

Canadian mills supply about two-thirds of newsprint used in the U.S. — estimated last year at between 10.2-10.4m tonnes—with most of the rest coming from U.S. producers.

Because of recent shortages, U.S. consumers have been forced to step up imports from costly European sources.

Consolidated Bathurst also said yesterday that it would be imposing even steeper increases on special grades of newsprint. The price of rotogravure newsprint, used in newspaper colour pages, will go up by 10.6 per cent to $469 per tonne from March.

Kodak switch on plant spending

BY OUR NEW YORK STAFF

EASTMAN KODAK, the U.S. photography giant, is to make a big investment in plant aimed at producing industrial chemicals from coal rather than oil-based feedstock.

Kodak believes that the project, due for completion in 1983, is the first U.S. attempt to produce commercially a new generation of chemicals from coal.

It estimates that its first plants will save the equivalent of 1m barrels of oil a year.

The decision to go ahead has been made because the company believes that it will be cheaper to produce the chemicals it needs from coal than from oil. The first plants will reduce "substantially" but not completely the company's dependence on oil-based chemicals.

Kodak is not disclosing the cost of its investment which includes a new manufacturing process for the production of acetic anhydride, an important chemical used in making photographic film.

The process will require a series of new plants, including a coal gasification plant supplied with oxygen from a new air separation unit

Hiram Walker gasohol deal hint

BY ROBERT GIBBENS IN MONTREAL

HIRAM WALKER, the Canadian-based international distillery group, whose stock did not open in New York yesterday, indicated it would make a statement later. Market reports in Toronto suggested that it would announce plans for a bid for Consumer Gas, the Ontario gas distribution group, or for a large-scale gasohol project.

Consumer Gas, which owns significant oil and gas interests in Western Canada, notably Home Oil Corporation, also said that it would be making a statement.

Hiram Walker yesterday announced that profits for the quarter ended November 30, were U.S.$39m, for $1.14 a share compared with $32.8m or $0.95 a share a year earlier. Revenues were $378m against $363m. The company said that increases in sales and profits reflected higher margins on its principal brands.

Hiram Walker shares closed on Tuesday at C$29, up C$1.75 on the day, on strong volume. The stock was recently split two-for-one.

Some market reports say that the company plans to build a plant to convert grain into gasohol, an alcohol fuel that can be blended with petroleum. This would be located in the U.S., which is already a major market for the company.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on January 9

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	89¾	90¼	+0¼	−0½	11.91
Alex Howden XW 9½ 91	30	77	79	0	0	13.34
Australian Res. 9¾ 84	30	91¾	92¼	+0¼	+0½	12.00
Avco O/S Cap. 10¾ 87	40	82¾	83	−0¼	−0¼	14.17
Beneficial Fin. 9¾ 87	100	89¾	90¼	0	−0¼	11.80
CECA Gr. Rate 10¾ 91	150	83½	84	+0¼	−0⅞	12.18
CECA 9¾ 99	125	†80⅞	81¼	+0⅛	0	12.70
Canadian Pacific 9¾ 89	50	89½	90	+0¼	−0½	11.58
Carter Hawley 9¾ 86	50	89½	90	0	−0⅛	12.09
Comalco Inv. E. 10¾ 91	40	90½	90⅝	+0½	−0½	11.80
Continental Grp. 9⅝ 86	100	89½	90	−0⅛	−0⅛	11.96
Dome Petroleum 10 94	50	89	89½	0	−0⅛	11.54
Dominion Bridge 10¾ 84	30	94¾	95¼	+0¼	−0½	11.72
Dow Chem. O/S 9⅞ 94	200	86⅞	87⅜	+0¼	−0⅛	11.54
EIB 9⅞ 87	150	91	91½	+0⅛	−0⅛	11.98
EIB 10 99	150	85	86½	−0½	−1	12.25
EIB 10¾ 87	100	92½	93	0	0	11.97
EIB 10.15 99	100	85⅞	86⅜	−1	−1¼	12.33
Export Dv. Cpn. 9¾ 84	100	91¾	92¼	+0¼	−0½	11.82
Export Dv. Cpn. 9¾ 84	150	93¼	93¾	+0¼	−0¼	11.64
Finland 9¾ 89	100	87¼	87¾	+0⅞	−1⅛	12.21
GTE Finance 9½ 84	60	92⅞	93⅜	+0⅛	+0⅛	11.66
GTE Finance 9¾ 89	55	88½	89	+0¼	−0⅛	11.76
[illegible] 9¾ 86	100	88⅞	89⅜	+0⅛	−0⅛	11.72
Gould Int. Fin. 9¾ 85	50	92¼	92¾	+0¼	−0⅛	11.79
Hudson Bay Co. 10 94	50	88¾	89¼	+0⅛	−1⅛	11.61
ITT Antilles 9½ 89	75	86¾	86⅞	0	−0¼	11.93
Kennecott Int. 9⅞ 86	100	86⅞	87⅜	0	−0⅜	12.53
Manitoba 9½ 89	75	86⅞	86⅞	−0¼	−1	11.96
Michelin 10 94	125	87¼	88¼	+0¼	−0⅛	11.72
Nat. Des. Telecm. 9½ 86	100	90¼	90¾	+0¼	−0⅛	11.66
New Brunswick 9¾ 94	75	85⅝	86⅛	+0¼	−0⅛	11.85
Newfoundland 10 94	50	89⅜	89⅞	−0⅛	−1⅛	11.55
Norges Komm. 9⅞ 99	100	85¾	86¼	+0¼	−1⅛	12.11
Norway 9½ 84	150	92½	93	0	−0½	11.70
Nova Scotia Pwr. 9¾ 89	50	87⅞	88⅜	+0⅛	+0⅛	11.90
Occidental Fin. 10¾ 84	50	94⅝	95⅛	+0⅛	−0⅛	11.93
Orient Leasing 9½ 86	25	87¾	88¼	0	−0½	12.26
Pennwalt O/S F. 9¾ 84	25	92¾	92¾	+0¼	−0⅛	12.04
Pepsico Cap. 9¾ 84	100	92¾	93¼	+0⅛	−0½	11.49
Quebec Hydro 10 99	75	85⅛	85⅝	0	−0⅜	11.78
Sears Roebuck 9 82	150	93⅞	94⅜	+0⅛	−0⅛	12.32
Statoil 9⅞ 89	100	88½	89	+0⅛	−0⅛	11.61
Sweden 9¾ 89	100	88½	89	0	−0⅛	11.78
Sweden 9½ 86	200	90¾	91¼	−0⅛	−1⅛	11.95
Sweden 9¾ 84	100	93¼	93¾	+0¼	+0¼	11.62
Unilever NV 9¾ 87	100	88¾	88¾	+0⅛	−0⅛	11.63
Warner-Lambert 9 84	100	91⅛	91⅝	+0⅛	+0⅛	11.54

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk 8 87	100	98	98½	0	0	8.30
Argentina 7½ 89	150	93¼	93⅞	−0⅛	−1	8.53
Asian Dev. Bk. 7¾ 89	100	94¾	95¼	−0⅛	−0⅛	8.06
Banco Desarrollo 7⅞ 86	100	93¾	94¼	0	−0⅛	8.59
Barclays O'seas 6¾ 89	100	95¾	96¼	−0⅛	−0⅛	7.39
Brazil 8 87	150	96⅛	96⅞	+0¼	−0⅛	8.63
CECA 7 91	150	93¾	94¼	0	−0⅛	7.81
Council of Eur. 7¾ 89	100	95¼	96¼	0	−1	7.90
EEC 7⅞ 94	225	98⅛	98⅝	−0⅛	−0⅛	8.06
EIB 7½ 89	200	97⅞	98⅜	−0⅛	−0½	7.80
Eletrobras-Brazil 7 87	100	93¾	94¼	0	+1½	8.15
Eurofima 6½ 89	100	95¾	96¼	−0⅛	−0⅛	7.11
Kobe, City of 7⅛ 89	150	97¾	98¼	−0⅛	0	7.45
Mitsubishi Chem. 6¾ 84	70	96¾	97¼	0	−0¼	7.39
Neder. Gasunie 8 86	100	103¾	104¼	+0⅛	+0¼	7.26
New Zealand 7⅛ 87	200	97⅞	98⅜	−0⅛	−0⅛	7.42
Nippon Kokan 6½ 84	100	95	95½	−0⅛	−0½	7.81
Nippon Tel. & T. 5½ 87	100	87⅞	88⅜	−0⅛	−1½	7.72
Norges Komm. 7¾ 91	150	100⅞	101⅜	−0⅛	−0⅛	7.57
Norges Komm. 8⅞ 94	150	†101¾	102¼	0	−0½	8.04
Norway 6¾ 84	200	97¾	98¼	+0¼	−0⅛	6.87
OKB 6 87	40	89½	90¼	0	−1⅛	7.92
OKB 7⅛ 89	100	97¾	98¼	−0⅛	−0⅛	7.70
Tokyo Elec. Pwr. 6½ 85	200	95¼	96	−0⅛	−0⅛	7.52
World Bank 7¾ 91	400	97¾	98¼	−0⅛	−0⅛	8.00

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5¾ 89	80	95⅛	95½	−0⅛	−0⅛	6.16
Aumar 5 89	60	94	94½	−0⅛	−1⅛	5.80
Australia 3¾ 89	250	90½	91	−0⅛	−0⅛	4.87
Bergen, City of 4¾ 91	40	96	96½	+0½	−0⅛	5.20
BNDE 5 89	75	88¾	89¼	0	−1	6.58
BMW Overseas 4¾ 91	100	95½	95¾	−0⅛	−0⅛	4.74
Caisse Nat. Tele. 4¾ 89	100	94½	95	−1⅛	−2⅛	5.08
Canada 3¾ 89	300	92½	92⅞	0	−0⅛	4.68
Copenhagen 4½ 91	60	94	94½	−0½	−0⅞	5.16
Council of Eur. 5 89	100	95½	96	−0⅛	+2⅞	5.56
EIB 4½ 91	100	90½	91	+0⅛	−1	5.61
EIB 4¾ 94	100	87¾	88¼	−0⅛	−1	5.62
Elec. de France 4½ 89	100	96⅞	97½	−0⅛	−0⅛	4.75
GZB 4¾ 89	100	91	91½	+0⅛	−2⅛	5.42
Hilti 4½ 91	35	95	95½	+0⅛	−2½	4.78
ICI Fin. NV 3½ 94	230	80¾	81¼	+0⅛	−1	5.46
Int.-Amer. Dev. 4½ 89	100	90¾	91¼	+0⅛	−0⅛	5.74
Malaysia 5 89	80	90	90½	0	−0⅞	6.35
Nippon Tel. & T. 4½ 89	100	95¾	96¼	+0⅛	−0⅛	4.77
Nordic Bank 5 89	45	100¼	100¾	0	−0½	4.96
Norges Komm. 4¾ 91	100	91¾	92¼	−1⅛	−2⅛	5.30
OKB 3¾ 91	100	84¼	84¾	−0⅛	−0⅞	5.65
OKB 4⅛ 91	100	89⅜	89⅞	+0⅛	−0⅞	5.60
Oslo, City of 4½ 91	100	88	88½	−0⅛	−1⅛	5.86
Shikoku El. Pwr. 4¾ 89	100	97	97½	−0⅛	−1⅛	5.12
Spain 4 91	100	87½	88	−0⅛	−0⅛	5.51
Steweag 4¾ 91	80	95½	96	−0½	−1⅛	5.26
Voest-Alpine 4¾ 89	90	98½	99	+0⅛	−0⅞	4.92
World Bank 4¾ 89	100	97½	98	0	−0⅛	4.92
World Bank 4½ 89	150	93½	94	−0½	−2	5.21
World Bank 4¾ 91	100	93	93½	0	−0⅛	5.43

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	89¾	90¼	+0½	+0½	8.77
Australia 6½ 88	20	85	86	+0¼	+0½	9.09
EIB 7¾ 89	12	98¾	99¼	0	+0⅛	7.95
Finland 5.6 83	10	88⅞	89⅞	+0⅛	+0⅛	9.04
Finland 6.8 88	10	87¾	88¼	+0⅛	−0⅛	8.98

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin. 10½ 86 C$	25	87⅞	88⅜	−0⅛	−0⅞	13.08
Bell Canada 10¾ 86 C$	60	93	93½	−0⅛	−0⅛	12.26
Cr. Foncier 10¾ 84 C$	30	90¼	90¾	−0⅛	−0⅛	13.18
Ex. Dev. Cpn. 10 84 C$	50	92¼	92¾	0	−0⅛	12.29
Fst. Can. Inv. 10 84 C$	50	91	91½	−0⅛	−0⅛	12.70
Hudson Bay 10½ 89 C$	60	89¾	90¼	+0⅛	−0⅛	12.35
Quebec 10¾ 86 C$	50	90⅞	91⅜	−0⅛	−0⅞	12.31
R. Bk. Canada 10 86 C$	40	92	92½	0	−0⅛	11.77
R. Bk. Canada 10 94 C$	40	85¾	86¼	−0⅛	−0⅛	12.19
Copenhagen 8¾ 91 EUA	25	†91½	93	0	0	9.38
Copenhagen 8¾ 91 EUA	20	†98¾	99½	−0⅛	−0⅛	8.88
SOFTE 8⅞ 89 EUA	40	†88½	90	0	0	10.08
Algemene Bk. 8¾ 84 Fl	75	97¼	97¾	+0⅛	+0⅞	8.91
Amev 8½ 86 Fl	75	97⅞	98⅜	+0⅛	0	8.87
Ned. Middbk. 8¾ 84 Fl	75	96⅛	96⅝	+0⅛	−0⅛	9.27
Norway 8¾ 84 Fl	100	95⅞	96⅜	+0⅛	+0⅛	9.40
Norway 8¾ 84 Fl	100	96	96½	0	0	9.25
Rabobank 9 84 Fl	25	100⅞	101⅜	+0½	+0⅞	8.69
Air France 11 84 FFr	120	97⅞	98⅜	+0⅛	+0½	11.43
Euratom 9¾ 87 FFr	150	85¾	86¼	+0⅛	−0⅛	12.78
Finland 11 84 FFr	80	95¾	96¼	0	0	12.16
Finland 11½ 89 FFr	70	94¾	95¼	0	0	12.44
Gaz de France 11 84 FFr	150	97⅛	98⅛	0	0	11.65
Norway 9⅞ 84 FFr	200	89½	90½	0	0	12.49
Renault 9¾ 85 FFr	100	88¾	89¾	0	−0⅛	12.54
Saint-Gobain 9¾ 86 FFr	130	85⅛	86⅛	0	−0⅛	13.13
Solvay et Cie 9¾ 87 FFr	125	83⅞	84½	+0⅛	0	13.38
Total Oil 9⅞ 87 FFr	150	82⅞	83⅞	+0⅛	0	13.06
EIB 11½ 91 £	25	86⅞	87⅜	+0⅞	−0⅛	13.74
Finance for Ind. 13 91 £	15	95⅞	96⅜	+0⅛	+0⅛	13.65
Fin. for Ind. 12½ 89 £	30	92⅞	93⅜	+0½	+0⅛	13.78
Gen. Elec. Co. 12½ 89 £	50	93¾	94½	+1⅛	+1½	13.64
Indonesia 8¾ 91 KD	7	†93½	94	0	0	9.86
Mitsubishi 7½ 84 KD	10	†95¾	96⅞	0	0	8.58
Norges Kom. 7½ 89 KD	12	†93¾	93⅞	0	0	8.50
Occidental 8¾ 91 KD	7	†90¼	90¾	0	0	9.86
Akzo 9⅞ 87 LuxFr	500	†94¾	95¾	0	0	10.15
Euratom 8 87 LuxFr	500	90¾	91¾	0	0	9.73
Oslo, City of 8 89 LuxFr	500	90	91	+0⅛	+0⅛	9.58
Volvo 9¾ 87 LuxFr	500	98¾	99¾	0	0	9.88

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Banco di Roma Int. 8 87	0⅛	99⅜	100⅛	26/4	15⅛	15.77
Banco Prov. BA 7¾ 86	0⅛	96⅜	97⅛	5/6	14½	14.95
Banco Urquijo 6 86	0⅛	97⅛	97⅞	21/3	13⅛	13.74
Bank of Ireland 5⅞ 89	‡0⅛	96⅞	97⅜	21/2	15.69	16.15
Bank of Tokyo 5¾ 89	‡0⅛	97⅛	98⅛	25/1	16.19	16.50
Bergen Bk. A/S 6 89	‡0⅛	95⅞	96⅜	29/2	14.31	14.89
Bque. Indo Suez 5¾ 89	0⅛	98¼	98¾	11/1	11	11.18
BNP 5½ 91	0⅛	97	97½	22/2	11.94	12.28
Citicorp O/S F. 5 94	‡0⅛	98⅝	99⅛	8/3	14.44	14.60
Citicorp O/S F. 83	§‡0	99½	100	23/2	15⅛	15.16
Citicorp O/S F. 84	‡0	98⅞	99⅜	29/2	15	15.13
Co-operative Bk. 6 86	0⅛	97⅜	98⅛	15/5	15.06	15.37
Creditanstalt 5½ 91	§‡0⅛	97⅜	98⅛	14/3	14⅞	15.18
CNT 5¾ 86	§0⅛	99¼	99¾	16/4	15.19	15.26
GZB 5½ 89	‡0⅛	98¾	99¼	1/2	16.19	16.37
Jugobanka 8 89	0⅛	94⅞	95⅜	23/5	16	16.82
Ind. Bank Japan 5¾ 87	0⅛	96⅞	97⅜	15/4	14⅛	14.67
LTCB Japan 5¾ 85	0⅛	97½	98	13/6	14⅛	14.58
LTCB Japan 5½ 89	0⅛	97⅛	97⅝	7/6	14.19	14.55
Mfrs. Han. O/S 5¾ 94	‡0⅛	98½	98⅞	29/2	13.81	14.01
Nacional Fin. 8¾ 86	0⅛	97⅛	97⅝	25/1	11½	11.78
Nat. West. 5½ 94	§0⅛	97½	98¼	11/1	14.94	15.26
Nippon Cred. Bk. 6½ 86	0⅛	97⅛	97⅝	12/1	10⅞	11.15
Royal Bk. Scot. 5¾ 94	§‡0⅛	98½	98⅞	11/1	14.94	15.19
Soc. C. de Bque. 6½ 87	0⅛	96½	97	3/4	13⅜	13.70
Sogenal 5¾ 89	§0⅛	96⅛	96⅝	11/1	10.81	11.20
Sweden 6⅛ 91	‡0⅛	97⅜	97⅞	18/1	15	15.38
TVO Pwr. 9 91 (D-lock)	0⅛	97⅛	97⅝	24/5	15.31	15.69
Utd. Overseas Bk. 6 89	‡0⅛	97⅛	97⅝	29/3	15.31	15.73
Williams & Glyn 5¾ 91	0⅛	96½	97	14/3	13	13.44
Bq. E. d'Alg. 4⅞ 89 SF	0⅛	98⅛	98⅝	18/6	6.69	6.93

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7⅞ 89	10/79	145	99	100	+0⅛	−7.10
Alco Int. Fin. 9½ 94	1/80	40	92¾	93¾	+1⅛	15.85
Asahi Optical 7 94	11/79	605	94½	95⅞	+0⅛	8.78
Canon 6¾ 94	8/79	570	105	106	−0⅛	0.64
Ciba-Geigy O/S F. 4 94	9/79	675	88½	89⅛	0	−2.45
Credit Suisse 4¾ 93	10/79	1325	107⅞	109⅛	+0⅛	−0.15
Daiei Inc. 6½ 94	11/79	1020	96⅞	97⅞	0	4.89
Esselte 7¾ 89	9/79	158	93½	94½	+0⅛	−0.69
Honda Motor 5½ 89	5/79	532	104½	106	−0⅛	0.94
LPC Internatl. 8 89	9/79	36	99¾	100	0	0.22
Meidensha Elec. 7 94	12/79	210	93½	94½	0	17.51
Mitsubishi Cp. 6½ 94	10/79	504	124⅞	125¾	+1⅛	12.54
Nippon Seiko 7⅛ 94	12/79	339	93¾	94⅞	−0⅛	3.64
Nitto Elec. Ind. 6 94	7/79	735	84½	85½	−1⅛	10.68
Toshiba Cpn. 7¾ 94	10/79	198	97¾	98¼	−0⅛	5.07
Union Bk. Switz. 5 89	2/80	125	109¾	111½	+0⅛	7.91
Fujitsu 5 84 DM	7/79	475	99⅞	100⅞	−0⅛	17.01
Kansai Elec. 4 84 DM	4/79	1234	86¾	87¾	0	50.03
Tokyu Ld. Cp. 4 86 DM	4/79	493	79½	80½	0	52.64
Uny Co. 6½ 85 DM	11/79	1071	98⅛	99⅛	0	23.69

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon, C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

INTERNATIONAL COMPANIES and FINANCE

Norwegian smelters increase profits

By Fay Gjester in Oslo

TWO LEADING Norwegian metal smelting companies have sharply improved turnover and profits for 1979, reflecting good demand and high prices for aluminium and ferro alloys.

ASV, the state-owned group which is Norway's biggest aluminium producer, reports turnover of NKr 3bn ($310m) last year, NKr 400m up on 1978, while group pre-tax profits reached around NKr 200m ($41m), compared with only NKr 16m.

Elkem-Spigerverket (ES), which has interests in mining, manufacturing and engineering, as well as metal smelting, estimates 1979 group pre-tax profits, after depreciation, at around NKr 250m. This compares with NKr 33m in 1978 and is the best result the group has achieved since 1972. Turnover rose to NKr 3.5bn, compared with NKr 3bn. Profit last year amounted to about 7 per cent on turnover, compared with only about 1 per cent in the three preceding years.

Mr. Karl Lorck, ES managing director, said that the group's aluminium and ferro alloys divisions accounted for most of the improvement on 1978. But he added that results were unlikely to be so good this year.

● Gross subscriptions of bonds and debentures on the Swedish capital market last year fell to Skr 47.49bn from Skr 48.37bn in 1978, the Bank of Sweden reports. Government issues fell to Skr 26.87bn from Skr 29.19bn, including Skr 14.07bn long-term and Skr 7.10bn short-term, compared to Skr 23.2bn and Skr 1.27bn respectively.

Dutch liquor group plans scrip issue

By Charles Batchelor in Amsterdam

LUCAS BOLS, the Dutch distillery and drinks group, plans to make a one-for-10 scrip issue and also pay an unchanged Fl 1 interim dividend per share on both the outstanding and new shares. The scrip will involve 408,000 new shares bringing the total shares in issue to nearly 4.5m.

The company is expected to have made good earnings progress in 1979. Pre-tax profits rose by 29 per cent in the first half to Fl 26.2m ($13.9m) on sales which were 12 per cent higher at Fl 386m.

● The European Options Exchange (EOE) is to introduce put and call option trading in the shares of the Dutch brewing concern Heineken, as well as put trading in another three stocks. These are the insurance group, Nationale-Nederlanden, the Anglo-Dutch food and detergent group Unilever, and the Belgian oil concern, Petrofina. Trading in the new options will start on January 28. These listings represent a doubling of the number of put options to eight and bring the number of call options to 33.

A maximum of 500 contracts in Heineken may be traded at any one time; while the limit on the other three shares is 1,000 contracts each.

Exports help Peugeot to lift turnover by 15%

BY TERRY DODSWORTH IN PARIS

STRONG DEMAND from export markets helped Peugeot, one of the three companies in the PSA Peugeot-Citroen vehicle group, to lift turnover last year by 15.7 per cent to about FFr 24.7bn ($6bn).

This improvement in the company's turnover was achieved with only a marginal increase in unit sales, which went up by just 1.3 per cent last year from 849,000 vehicles to 860,000. The performance suggests that the group has been able to recoup on its prices, both through new models and through the new freedom given to industry to fix its prices in France.

Total production, including light commercial vehicles, amounted to 865,400 units, plus some 33,500 which were manufactured by Peugeot's Argentine subsidiary. Of these, 756,250 were cars, with the 305 model accounting for 246,000 units, the 504 for 238,000 and the 104 for 144,000.

Peugeot also notes that the diesel sector in its vehicle output is mounting steadily, just as at Citreon and, more recently, Renault. Output of diesel vehicles last year, at 135,650 units, accounted for 20 per cent of total production.

On the home market, Peugeot's sales last year amounted to 18.1 per cent of total registrations. Overseas it claims to have been particularly successful in Africa, where, it says, it accounts for some 70 *per cent of French vehicle exports.*

Its strongest export market is Nigeria, where it sold 52,000 units, followed by West Germany with 48,000 and Britain with 46,000.

Meanwhile, Talbot, another branch of the PSA group, has announced plans to enter Formula One racing.

Talbot had a disappointing year in France in 1979, and, although final figures are not yet available, the indication is that its sales slipped back by more than 20 per cent.

* * *

Terms of the proposed merger between the two French food retailing groups, Docks de France and La Ruche Picarde, were unveiled yesterday. Docks de France will issue one FFr 1,000 convertible bond plus FFr 1,400 in cash for every five Ruche Picarde shares. Before *the exchange, Ruche Picarde* will pay an interim dividend for the 1979 year of FFr 6 net.

The convertible bonds will bear a coupon of 9.5 per cent and be amortised in seven years after the grace period. They will offer a gross yield of 11.50 per cent.

Jubilee sales boost Kaufhof

BY GUY HAWTIN IN FRANKFURT

KAUFHOF, West Germany's second largest store group after Karstadt, reports higher sales for 1979, its 100th anniversary.

Helped by special jubilee sales, group turnover last year rose by 8.2 per cent from 1978's DM 7.38bn to DM 7.99bn ($4.65bn). Allowing for a 3.7 per cent increase in sales space, turnover growth was still a healthy 7.3 per cent.

During 1979 sales at Karstadt rose by 9.4 per cent to DM 9.2bn, or by 3 per cent in real terms adjusting for new selling space.

A breakdown of Kaufhof's turnover shows sales for its 87 department stores up 7.1 per cent to DM 5.99bn. This is well ahead of the growth rates reported by most of the Federal Republic's department store chains.

At the 104 self-service department stores operated by the Kaufhalle subsidiary, sales expansion was even stronger. They rose 9.2 per cent to DM 1.84bn.

The group's travel operations also showed above average growth. Turnover increased by 25 per cent from 1978s DM 281m to DM 351m.

* * *

THE SATISFACTORY business development in West Germany's chemical sector last year is again underlined by the preliminary results of the Munich-based, Sued-Chemie. After two years of stagnation, 1979 brought the company a notable—but so far unspecified—profits improvement. Turnover rose by 12 per cent to around DM 200m, with export sales increasing slightly faster than those at home.

All sectors contributed to the sales boost, but inorganic special products showed the most marked increase. Plant investment totalled DM 10.5m, against DM 7.3m in 1978.

Agreement reached on Entrad offer conditions

BY JAMES FORTH IN SYDNEY

MR. ABRAHAM GOLDBERG, the Melbourne businessman, bowed to pressure from the Sydney Stock Exchange on Tuesday, and agreed to the exchange's conditions covering his offer for stock in the diversified textile and real estate group, Entrad.

Mr. Goldberg paid A$10m (U.S.$11.1m) or A$1 a share for a 41 per cent holding in Entrad last October and agreed to extend a comparable offer to remaining holders.

Late last month, talks were held with the Sydney exchange seeking a waiver of this requirement if Mr. Goldberg agreed to stand in the market for at least 20 trading days and take all shares offered. The price was to be 98 cents a share, which, allowing for a 2.5 cents dividend declared after the original purchase and brokerage charges, was comparable to the price paid earlier.

On Monday Davies and Dalziel, Mr. Goldberg's broker, announced that "as arranged" with the Sydney exchange, it was bidding 98 cents a share. The exchange, however, claimed that it only agreed to a waiver and on-market offer provided that Entrad shareholders were first circularised and given a considerable amount of information, including the assets of Entrad and earnings to date in the current year; earnings of Cleckheaton, the textile group which Mr. Goldberg wants to sell to Entrad; and projected earnings of the combined group.

The market buying went ahead, and in the first two days about 15 per cent of Entrad's capital changed hands. The exchange threatened to suspend trading if an announcement was not made before the opening of trading on Tuesday that Mr. Goldberg would circularise shareholders and stand in the market as agreed.

Davies and Dalziel made an announcement to this effect, and during the day Mr. Goldberg lifted his stake to about 73 per cent.

The Entrad board met on Tuesday and is expected to release a statement today containing much of the detail sought by the exchange, but this will not have the information about Cleckheaton, as the merchant bank retained to value the company has still to complete its report.

Lower tax helps Amatil to record

By Our Sydney Correspondent

AMATIL, the major tobacco, food and packaging group, has raised its dividend for the third successive year following a 9 per cent increase in earnings, from A$29.65m to a record A$31.7m (US$35.3m) in the year to October 31, equal to 49 cents a share against 45 cents. Group sales topped A$1bn for the first time, up 16 per cent on the A$956m of the previous year.

The dividend is lifted from 17 cents a share to 19 cents, and has risen from 14 cents in the past three years

The profit increase was more than accounted for by a lower tax provision. Pre-tax earnings actually dipped slightly, from A$46.3m to A$45m, but tax was reduced from A$16.1m to A$13.3m. Earnings rose 13.6 per cent in the first half but slowed in the second half to 5 per cent.

The directors said that the snack foods division earned an excellent profit from a combination of greater market penetration and improved manufacturing efficiencies, the latter the result of a continuing rationalisation programme.

The meat processing division enjoyed another strong year, mainly because of the rationalisation of abattoir operations, although a reduction in the number of cattle for processing in the second half inhibited profitability. The traditional tobacco products division maintained its profits despite a lack of market growth, intense competition, and the impact of unrecovered inflationary costs.

New funding by ENEL

ROME—The Italian state electricity utility, ENEL, plans to tap the domestic capital market shortly with a bond issue along the lines of its funding in July which had a 12 per cent coupon and a seven-year maturity.

The amount of the ENEL issue has yet to be finalised, but it is unlikely to be as high as last July's L600bn ($570m) issue. The market could find such a large issue difficult to absorb, bond dealers in Rome suggested yesterday.

Last year, net bond issues dropped to around L13,000bn, half the level of 1978, in part reflecting a fall in state bond issues and a drop in issues by private borrowers because of poor market conditions.

Reuter

Par for Amro issue

The Fl 150m bond issue by Amsterdam - Rotterdam Bank, one of the big three commercial banks in Holland, has been priced at par, Reuter writes from Amsterdam. The offering is over 20 years with a coupon of 9¾ per cent.

Aer Lingus purchase

Dunfey Hotels, a wholly-owned subsidiary of Aer Lingus, the Irish airline, is part of a consortium which acquired the Shoreham Hotel in Washington for $35m, writes Reuter from Washington. According to Dunfey, William Zeckendorf Jr, a New York property magnate, is the principal investor. Dunfey holds an equity interest and will operate the hotel.

Dunfey will spend $5m to renovate the hotel and another $10m over the next few years.

Swiss state bonds to be sold by auction

By John Wicks in Zurich

THE SWISS Central Government is to auction SwFr 200m ($126m) of 12-year bonds with a coupon of 4½ per cent next week.

This is the first time that federal bonds have been sold by auction, bidders stating the issue price they are prepared to pay for a given subscription. The bonds will then be apportioned to subscribers from the highest bidder downwards until the approximate issue sum is reached.

The final issue price for all subscribers will be the lowest bid before the cut-off. To facilitate subscriptions for small-scale investors, bids of up to SwFr 20,000 per subscriber can be made without a price specification.

Introduction of a tender system means an end to the former method by which commercial banks took over the bonds for sale to the public. Banks will now receive a handling fee, probably of 1 per cent. The Government has already operated auction-type bidding—in its recently introduced short-term money-market certificates.

The 4½ per cent coupon of the new issue compares with interest rates for a float of the same amount last autumn of 3¾ per cent for a nine-year tranche and 4 per cent for one of 15 years' maturity. Issue prices were then of 99½ per cent and 100½ per cent, respectively.

The switch to the new issue procedure gives the Government more flexibility for its bond issues, the National Bank said yesterday: "This is particularly important in a climate of a rapidly changing capital market." The new auction system gives the Government the opportunity to wait until the last moment to fix the issue price.

● From February 1, banks belonging to the Zurich interest convention are to increase interest rates for commercial loans. Overdraft rates will rise by 0.5 per cent to between 4.75 and 5.5 per cent and interest on fixed advances by 0.25 per cent to 5.25 per cent.

SBC absorbs subsidiary

By Our Zurich Correspondent

SWISS BANK Corporation, of Basle, has absorbed its subsidiary, Bank Fuer Hypothekarkredite. The subsidiary, set up in 1960 to specialise in savings and mortgage business, had always been integrated in SBC's operations and had no counter business of its own.

INTL. COMPANIES & FINANCE

Sharp plans expansion of semiconductor capacity

BY YOKO SHIBATA IN TOKYO

SHARP, THE leading Japanese manufacturer of electric appliances, plans to spend Y30bn ($127.8m) on domestic capital investment in fiscal 1980, which starts in April. The company envisages a similar capital outlay in the current fiscal year.

The bulk of capital investment is directed towards increasing capacity in semiconductors. The rest is aimed at expanding capacity in the production of rapid-growing lines, such as home-use video tape recorders (VTR), electronic translating machines and electronic cash registers.

Following major investments overseas in fiscal 1979, including the construction of a manufacturing plant in the U.S., and new sales offices in West Germany and the UK, Sharp's overseas capital investment plans for fiscal 1980 have been reduced to Y5bn from Y8bn in the previous year. Overseas investments for fiscal 1980 include an expansion of the production line for colour TV sets and microwave ovens in Memphis, Tennessee, and the construction of a black and white TV manufacturing plant in Malaysia.

Out of the Y30bn of domestic capital outlays, the company plans to spend Y11bn on the construction of a third semiconductor factory in Tenri City. In view of the favourable sales outlook many electronics manufacturers have made major investments to expand their production of semiconductors. Semiconductor output by the industry is expected to grow by 32.7 per cent in 1979 and by a further 25.2 per cent in fiscal 1980, according to Japan's Electric and Electronic Industries Association.

With a capital outlay of Y2bn, the company plans to increase production capacity of VTR's to 25,000 sets monthly from the current 20,000 sets. Sharp also plans to build a new factory specialising in the automatic manufacture of electronic calculators, along with new manufacturing lines for electronic translating machines and cash registers.

Faber Merlin adds to East Johore interests

BY WONG SULONG IN KUALA LUMPUR

FABER MERLIN, the Malaysian hotel and property group, announced yesterday that it is buying up the entire equity of the Sri Mersing Hotel as part of its effort to expand its hotel facilities in the newly-developed tourist area in East Johore state.

It will acquire the entire 650,000 shares of Sri Mersing for 900,000 ringgit (US$415,000), to be satisfied by the issue of 900,000 new Faber Merlin shares with a nominal value of 1 ringgit.

Faber Merlin said that the purchase of Sri Mersing would complement the facilities available at the Merlin Samudra Hotel on the resort island of Tioman, opposite Mersing Town.

The newly-built Sri Mersing Hotel will be expanded from its present 34 rooms to 100 rooms, and will be renamed Mersing Merlin Inn.

Apart from Sri Mersing, Faber Merlin operates six leading hotels in Malaysia, and is building an international class hotel at the Desaru tourist complex, just south of Mersing.

For the year ended June, 1979, the group made a pre-tax profit of 5.4m ringgit, and its shares closed yesterday at 1.2 ringgit.

● Malaysia Rice Industries (MRI), the once languishing Malaysian quoted company which is now under the control of the See Hoy Chan group, has announced the purchase of a 1,700-acre palm oil estate for 8.76m ringgit (U.S.$4m).

The estate, which is in the Dindings district in Perak State, is on freehold land owned by Telok Plantations.

Malaysia Rice Industries said yesterday that the plantation was expected to yield a pre-tax profit of some 800,000 ringgit for the first year, but better earnings could be expected with sound management, increasing maturity and improved yields.

The See Hoy Chan group, one of Malaysia's largest rice merchants, took control of MRI in 1978 through a share swap. MRI has since entered the real estate development field, and made a pre-tax profit of 5.6m ringgit for the year ended last June.

Bahrain OBU market shows slight fall

By Mary Frings in Bahrain

BAHRAIN'S OFFSHORE banking market dipped slightly in November, according to latest figures compiled by the Bahrain Monetary Agency (BMA). Total assets fell 2½ per cent against the previous month, from U.S. $28.3bn to $27.6bn. Two newcomers to the market, Arab African International Bank, and Arab Latin American Bank, were reporting to the BMA by November, bringing the total number of Offshore Banking Units in operation to 52.

There was some nervousness in the market, due to fears of military confrontation between the U.S. and Iran, and to disturbances in Saudi Arabia, but leading banks said there had been no significant withdrawal of funds. Some attributed the decrease to normal fluctuations in the business cycle, while Bank of America, Chase, and National Commercial Bank of Saudi Arabia said their figures had maintained their level and Banque Arabe International d'Investissement reported a 15-20 per cent increase.

India-Malaysia Textiles in profit

AFTER FIVE succesesive years of losses, India-Malaysia Textiles has reported a small profit for the first half of the current financial year, thanks to good sales, writes Wong Sulong from Kuala Lumpur.

For the six months ended September 1979, the company made a pre-tax profit of 21,000 ringitt (US$9,700) compared with a loss of 634,000 ringgit last time.

Sales rose by 34 per cent to 8m ringgit ($3.7m).

BASE LENDING RATES

A.B.N. Bank	17 %	■ Guinness Mahon	17 %
Allied Irish Bank	17 %	■ Hambros Bank	17 %
Amro Bank	17 %	■ Hill Samuel	§17 %
American Express Bk.	17 %	C. Hoare & Co.	†17 %
Henry Ansbacher	17 %	Hongkong & Shanghai	17 %
A P Bank Ltd.	17 %	Industrial Bk. of Scot.	17½%
■ Arbuthnot Latham	17 %	Keyser Ullmann	17 %
Associates Cap. Corp.	17 %	Knowsley & Co. Ltd.	18½%
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	London Mercantile	17 %
Bank of Cyprus	17 %	Edward Manson & Co.	18 %
Bank of N.S.W.	17 %	Midland Bank	17 %
Banque Belge Ltd.	17 %	■ Samuel Montagu	17 %
Banque du Rhone et de la Tamise S.A.	17½%	Morgan Grenfell	17 %
Barclays Bank	17 %	National Westminster	17 %
Bremar Holdings Ltd.	18 %	Norwich General Trust	17 %
Brit. Bank of Mid. East	17 %	P. S. Refson & Co.	17 %
■ Brown Shipley	17 %	Rossminster	17 %
Canada Perm't Trust	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Cayzer Ltd.	17 %	Schlesinger Limited	17 %
Cedar Holdings	17 %	E. S. Schwab	17 %
Chartered Trust Ltd.	18 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Shenley Trust	19 %
Choulartons	17 %	Standard Chartered	17 %
C. E. Coates	17 %	Trade Dev. Bank	17 %
Consolidated Credits	17 %	Trustee Savings Bank	17 %
Corinthian Secs.	17 %	Twentieth Century Bk.	17 %
The Cyprus Popular Bk.	17 %	United Bank of Kuwait	17 %
Duncan Lawrie	17 %	Whiteaway Laidlaw	17½%
Eagil Trust	17 %	Williams & Glyn's	17 %
E. T. Trust Limited	17 %	Yorkshire Bank	17 %
First Nat. Fin. Corp.	18½%		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		

■ Members of the Accepting Houses Committee

* 7-day deposits 15%, 1-month deposits 15¼%.

† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.

‡ Call deposits over £1,000 15%.

§ Demand deposits 15%.

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	8.1.80	28.12.79	AVERAGE YIELD	8.1.80	28.12.79
DM Bonds	97.74	97.75	DM Bonds	7.778	7.777
HFL Bonds & Notes	94.01	93.65	HFL Bonds & Notes	9.526	9.596
U.S. $ Strt. Bonds	88.12	88.57	U.S. $ Strt. Bonds	11.191	11.105
Can. Dollar Bonds	89.09	89.35	Can. Dollar Bonds	11.948	11.881

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem-ployed	Vacs.
1978							
3rd qtr.	111.3	104.8	103	110.7	268.6	1,380	213
4th qtr.	110.3	103.1	103	111.7	273.0	1,349	220
1979							
1st qtr.	109.5	102.0	97	110.3	276.4	1,351	234
2nd qtr.	115.5	108.1	107	116.7	297.3	1,290	236
3rd qtr.	112.9	102.9	101	119.1	300.5	1,289	247
June	117.5	110.3	111	120.3	309.3	1,299	262
July	116.3	107.5	98	108.7	294.4	1,279	253
August	111.7	101.3	104	111.5	304.3	1,265	246
Sept.	110.7	99.8	101	110.8	302.3	1,264	243
Oct.	113.0	104.4		111.4	309.5	1,282	237
Nov.				113.8	317.3	1,252	234
Dec.						1,294	219

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
3rd qtr.	108.4	99.0	122.7	100.2	99.2	103.7	23.0
4th qtr.	106.0	96.9	124.0	96.9	99.0	102.4	20.2
1979							
1st qtr.	105.3	95.6	126.3	98.1	98.8	99.1	12.9
2nd qtr.	109.1	105.0	133.4	103.8	110.7	103.6	21.3
3rd qtr.	105.2	95.8	132.2	94.2	105.1	100.9	20.7
May	109.0	105.0	132.0	104.0	107.0	103.0	20.0
June	111.0	106.0	137.0	105.0	115.0	106.0	25.4
July	108.0	102.0	136.0	102.0	115.0	101.0	22.6
August	104.0	94.0	130.0	92.0	93.0	99.0	18.2
Sept.	103.0	91.0	131.0	88.0	107.0	103.0	21.2
Oct.	105.0	102.0	130.0	99.0	97.0	93.0	20.9

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£bn); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
3rd qtr.	124.8	114.9	−0.367	+0.299	−501	106.1	16.55
4th qtr.	124.8	112.3	−0.039	+0.614	−480	106.9	15.77
1979							
1st qtr.	109.7	117.1	−1.579	−1,207	−234	107.6	15.78
2nd qtr.	135.0	130.9	−0.714	−0.607	−227	107.5	21.69
3rd qtr.	132.4	129.3	−0.397	−0.211	−166	108.4	23.18
July	133.3	128.1	−0.074	−0.012	− 44	109.2	23.49
August	131.1	131.1	−0.176	−0.114	−130	108.4	22.30
Sept.	132.8	128.8	−0.147	−0.085	+ 8	107.1	22.75
Oct.	129.7	133.0	−0.339	−0.289	− 85	106.1	22.49
Nov.	133.3	125.0	−0.056	−0.006	− 12	105.7	22.42
Dec.							22.72

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1978							
3rd qtr.	17.2	8.1	4.2	+ 572	746	1,559	10
4th qtr.	14.9	11.9	8.6	+1,774	878	1,584	12½
1979							
1st qtr.	7.6	9.3	32.6	+1,524	777	1,583	13
2nd qtr.	9.7	17.2	28.5	+2,705	777	1,868	14
3rd qtr.	11.5	9.9	13.2	+2,414	933	1,879	14
July	7.1	14.3	34.1	+ 439	229	630	14
August	6.1	12.4	29.8	+1,057	293	634	14
Sept.	11.5	9.9	13.2	+ 925	411	616	14
Oct.	15.7	15.1	14.6	+1,549	544	663	14
Nov.	6.3	13.1	19.1	+1,187	134	691	17
Dec.							17

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.83	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.1	169.9	176.4	231.1	231.9	301.66	71.0
July	155.6	168.1	174.8	229.1	231.2	278.92	71.9
August	153.3	169.1	176.3	230.9	231.8	290.04	71.4
Sept.	153.8	172.5	178.2	233.2	232.6	301.66	69.8
Oct.	157.8	178.1	180.3	235.6	234.8	291.34	66.9
Nov.		181.5	186.1	237.7	237.0	297.22	69.6
Dec.		186.7	183.0			295.13	70.2

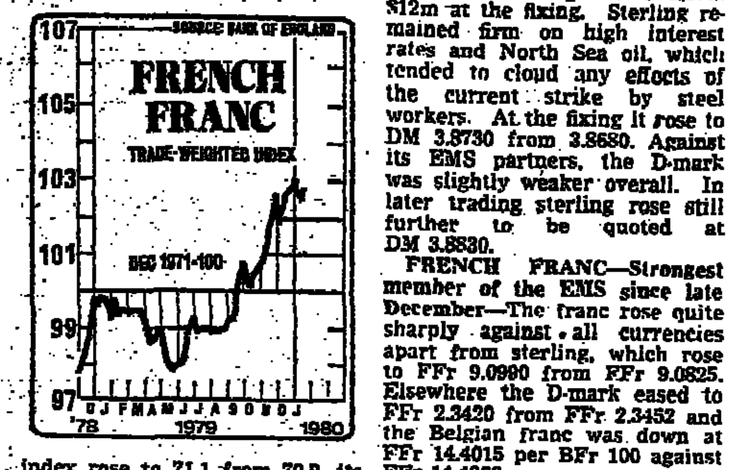
* Not seasonally adjusted.

Companies and Markets

CURRENCIES, MONEY and GOLD

Pound firm

THE POUND showed a general improvement in currency markets yesterday, rising against the dollar and major European currencies. Market factors remained basically unchanged, with the pound underpinned by high interest rates and North Sea oil, and these tended to outweigh any apprehension over the continuing strike by steel workers. On Bank of England figures, sterling's trade weighted index rose to 71.1 from 70.9, its highest level since September 11.



Against the dollar it opened at $2.2570 and eased initially to $2.2520 before coming back quite quickly to around $2.2600. During the afternoon, demand for sterling picked up especially from the U.S., and it touched a peak of $2.2730 before finishing at $2.2660-2.2670, a rise of 45 points from Tuesday, and its best closing level since August 3 last year.

The dollar retained its softish undertone, but showed little overall movement. Against the D-mark is closed at DM 1.7115 compared with DM 1.7135 and SwFr 1.5730 against SwFr 1.5760 in terms of the Swiss franc. There was also hardly any movement against the Japanese yen, and the U.S. unit finished at Y234.80 from Y234.78 previously. On Bank of England figures, its trade weighted index fell to 84.2 from 84.4 on Tuesday.

D-MARK—Very strong against all currencies, showing further gains against members of the European Monetary System recently—The dollar was fixed lower at the fixing at DM 1.7127 against DM 1.7174, and the Bundesbank bought a nominal $12m at the fixing. Sterling remained firm on high interest rates and North Sea oil, which tended to cloud any effects of the current strike by steel workers. At the fixing it rose to DM 3.8730 from 3.8680. Against its EMS partners, the D-mark was slightly weaker overall. In later trading sterling rose still further to be quoted at DM 3.8830.

FRENCH FRANC—Strongest member of the EMS since late December—The franc rose quite sharply against all currencies apart from sterling, which rose to FFr 9.0990 from FFr 9.0825. Elsewhere the D-mark eased to FFr 2.3420 from FFr 2.3452 and the Belgian franc was down at FFr 14.4015 per BFr 100 against FFr 14.4300.

BELGIAN FRANC—Generally weakest member of EMS, but resists devaluation—The franc was easier overall within the EMS, exacerbated to some extent by sterling's sharp rise. While sterling is not a member of the EMS, its performance is taken into account when calculating each currency's movement against central rates.

DANISH KRONE—Basically weak, suffering two devaluations since EMS began last March—The krone showed a mixed tendency against EMS currencies, and was firmer against the U.S. dollar, but lost ground in sterling terms. The dollar was fixed at DKr 5.3585 compared with DKr 5.3650, while the pound improved to DKr 12.0970

THE POUND SPOT AND FORWARD

Jan. 9	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2520-2.2730	2.2660-2.2670	0.63-0.53c pm	3.07	1.23-1.13 pm	2.08
Canada	2.6300-2.6500	2.6450-2.6480	0.75-0.65c pm	3.17	1.80-1.70 pm	2.65
Nethlnd.	4.26½-4.30½	4.28¼-4.29¼	1⅞-⅞c pm	3.85	5-4 pm	4.20
Belgium	62.80-63.30	63.00-63.10	14-4c pm	1.71	33-23 pm	1.78
Denmark	12.07-12.14	12.10¼-12.11¼	¼ore pm-1¼ dis	−0.74	2¾-4¼ dis	−1.24
Ireland	1.0450-1.0630	1.0615-1.0625	par-0.10p dis	−0.57	0.11-0.21dis	−0.61
W. Ger.	3.86-3.89½	3.87¾-3.88¾	3½-2¾pf pm	8.50	8¾-7¾ pm	7.85
Portugal	111.70-112.80	112.05-112.35	15-65c dis	−4.28	40-140 dis	−3.21
Spain	148.75-149.80	149.60-149.70	45-85c dis	−5.61	105-205 dis	−4.14
Italy	1,809-1,819	1,814-1,815	5½-7½ lire dis	−4.30	18-21 dis	−4.30
Norway	11.09-11.16	11.13¼-11.14¼	5-3ore pm	4.31	10¼-8¾ pm	3.50
France	9.04-9.11	9.09-9.10	3¼-2¼c pm	3.63	6½-5½ pm	2.64
Sweden	9.32-9.38	9.36½-9.37½	1½-1½ore pm	3.20	7½-5½ pm	2.77
Japan	528-534	531¼-532¼	4.35-4.05y pm	9.47	10.80-10.50pm	8.00
Austria	27.80-28.00	27.89-27.94	18-8gro pm	5.59	52-42 pm	6.73
Switz.	3.57½-3.58¾	3.56¼-3.57¼	4-3c pm	11.77	10-9 pm	10.65

Belgian rate is for convertible francs. Financial franc 65.05-65.15. Six-month forward dollar 2.18-2.08c pm, 12-month 4.35-4.25c pm.

THE DOLLAR SPOT AND FORWARD

Jan. 9	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2520-2.2730	2.2660-2.2670	0.63-0.53c pm	3.07	1.23-1.13 pm	2.08
Ireland†	2.1505-2.1610	2.1580-2.1610	0.70-0.60c pm	3.61	1.65-1.55 pm	2.96
Canada	1.1582-1.1688	1.1685-1.1688	0.09-0.06c pm	0.77	0.16-0.13 pm	0.50
Nethlnd.	1.8910-1.8945	1.8930-1.8945	0.20-0.15c pm	1.11	1.12-1.02 pm	2.26
Belgium	27.81-27.93	27.81-27.83	0.7-1.7c dis	−0.52	par-2 dis	−0.14
Denmark	5.3430-5.3510	5.3435-5.3450	0.75-1.25ore dis	−2.24	4.25-4.75dis	−3.37
W. Ger.	1.7100-1.7190	1.7110-1.7120	0.85-0.75pf pm	5.61	2.55-2.45 pm	5.84
Portugal	49.50-49.65	49.55-49.65	15-25c dis	−4.84	45-75 dis	−4.84
Spain	66.02-66.06	66.02-66.05	30-40c dis	−6.35	80-95 dis	−5.30
Italy	800.60-803.50	800.80-801.10	4½-6 lire dis	−7.86	12½-14 dis	−6.62
Norway	4.9130-4.9155	4.9130-4.9140	1.00-0.50ore pm	1.83	3.10-2.60 pm	2.32
France	4.0020-4.0275	4.0120-4.0130	0.35-0.25c pm	0.90	0.65-0.50 pm	0.57
Sweden	4.1323-4.1360	4.1325-4.1335	0.60-0.40ore pm	1.45	1.70-1.50 pm	1.55
Japan	234.30-236.30	234.75-234.85	1.30-1.15y pm	6.26	3.50-3.35 pm	5.83
Austria	12.31-12.32½	12.31-12.32	5.50-3.50gro pm	4.38	17.25-13.25pm	4.95
Switz.	1.5720-1.5810	1.5725-1.5735	1.25-1.18c pm	9.27	3.53-3.48 pm	8.88

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

Jan. 8	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.587512	0.64158
U.S. $	12	1.32384	1.44561
Canadian $	14	1.54836	1.68703
Austria Sch.	3¾	16.3560	17.8678
Belgian F.	10½	36.9749	40.3615
Danish K.	11	7.09777	7.752100
D Mark	6	2.27356	2.48532
Guilder	9½	2.51132	2.74435
French Fr.	9½	5.33177	5.82510
Lira	15	1063.71	1161.55
Yen	6¼	306.459	337.912
Norwgn. Kr.	9	6.58266	7.11386
Spanish Pts.	8	87.4542	95.4972
Swedish Kr.	9	5.48268	5.98557
Swiss Fr.	2	2.08902	2.28190

CURRENCY MOVEMENTS

Jan. 9	Bank of England Index	Morgan Guaranty changes %
Sterling	71.1	−38.1
U.S. dollar	84.2	−8.8
Canadian dollar	80.7	−17.2
Austrian schilling	158.1	+23.9
Belgian franc	115.8	+13.9
Danish kroner	109.5	−2.4
Deutsche mark	158.9	+46.8
Swiss franc	204.5	+83.4
Guilder	126.4	+20.6
French franc	102.8	−5.2
Lira	55.0	−49.8
Yen	119.8	+18.7

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Jan. 9	£	$		Note Rates
Argentina Peso	3664-3684	1616-1625	Austria	27.70-27.95
Australia Dollar	2.0345-2.0385	0.8980-0.8985	Belgium	64.80-65.30
Brazil Cruzeiro	99-100	43.70-44.15	Denmark	12.08-12.15
Finland Markka	8.38-8.39	3.6825-3.6845	France	9.05-9.12
Greek Drachma	85.644-87.679	37.80-38.00	Germany	3.87½-3.90
Hong Kong Dollar	11.115-11.19	4.9255-4.9275	Italy	1825-1925
Iran Rial	n/a	n/a	Japan	532-537
Kuwait Dinar (KD)	0.607-0.617	0.2714-0.2715	Netherlands	4.27½-4.30
Luxembourg Frc.	63.00-63.10	27.81-27.83	Norway	11.12-11.19
Malaysia Dollar	4.9310-4.9425	2.1745-2.1765	Portugal	110-119½
New Zealand Dlr.	2.2830-2.2890	1.0075-1.0090	Spain	149¼-157¼
Saudi Arab. Riyal	7.52-7.62	3.3590-3.3600	Switzerland	3.56-3.58
Singapore Dollar	4.8850-4.8960	2.1570-2.1580	United States	2.2645-2.27¼
Sth. African Rand	1.8685-1.8700	0.8245-0.8250	Yugoslavia	47½-50½

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 9	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3969	+1.53	+1.27	±1.53
Danish Krone	7.72336	7.76688	+0.43	+0.17	±1.64
German D-Mark	2.48208	2.48655	+0.18	−0.08	±1.125
French Franc	5.84700	5.82237	−0.42	−0.68	±1.3557
Dutch Guilder	2.74362	2.74720	+0.13	−0.13	±1.512
Irish Punt	0.668201	0.673117	+0.74	+0.48	±1.688
Italian Lira	1157.79	1162.44	+0.40	+0.40	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Jan. 8	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.267	3.883	532.3	9.095	3.568	4.288	1815.	2.646	63.05
U.S. Dollar	0.441	1.	1.713	234.8	4.013	1.574	1.892	800.6	1.167	27.82
Deutschemark	0.258	0.584	1.	137.1	2.343	0.919	1.104	467.4	0.681	16.24
Japanese Yen 1,000	1.879	4.258	7.295	1000.	17.09	6.703	8.056	3409.	4.970	118.5
French Franc 10	1.100	2.492	4.269	585.2	10.	3.922	4.714	1995.	2.909	69.32
Swiss Franc	0.280	0.635	1.088	149.2	2.549	1.	1.202	508.6	0.742	17.67
Dutch Guilder	0.233	0.529	0.906	124.1	2.121	0.832	1.	423.2	0.617	14.71
Italian Lira 1,000	0.551	1.249	2.140	293.3	5.012	1.966	2.363	1000.	1.458	34.75
Canadian Dollar	0.378	0.857	1.468	201.2	3.438	1.349	1.621	685.9	1.	23.83
Belgian Franc 100	1.586	3.595	6.158	844.2	14.43	5.658	6.800	2878.	4.196	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 13.95-14.05 per cent; three months 13.95-14.05 per cent; six months 13.90-14.00 per cent; one year 12.70-12.80 per cent.

Jan. 9	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	16⅞-17	13¾-14	12⅛-13⅛	12⅛-12¼	⅛-⅝	8⅛-8¼	11⅞-12⅛	30-40	—	4¼-6⅛
7 days' notice	16½-16⅝	13⅞-14⅛	12⅛-13⅛	11¾-12	⅝-1⅞	8⅛-8¼	12⅛-12⅝	20-22	14-14⅛	6⅛-8
Month	16¾-16⅞	13⅝-13⅞	13⅟₁₆-13⁹⁄₁₆	12⅛-12⅝	4⅛-5	8⅟₁₆-8⅟₁₆	13-13¼	20-22	13⅝-13¾	7⅟₁₆-7⅟₁₆
three months	16¾-16⅞	14¼-14½	13⅝-14	11⅞-12⅛	5⅛-5¼	8⅝-8½	13⅝-13⅞	20¼-21¼	14⅟₁₆-14⅟₁₆	8⅛-8⅛
six months	16½-16⅝	14-14¼	13⅜-13⅝	11⅝-11⅞	5⅟₁₆-5⅟₁₆	8¼-8⅜	13¾-14	19¼-20¼	14¼-14⅜	8¼-8⅛
one year	15⅝-15⅛	12⅞-13⅛	12⅟₁₆-12⅟₁₆	10¾-11	5⅛-5¼	8⅟₁₆-8⅟₁₆	13⅝-13⅞	18⅛-19½	13⅟₁₆-13⅟₁₆	7⅟₁₆-8⅟₁₆

Long-term Eurodollar two years 12⅟₁₆-12⅟₁₆ per cent; three years 11⅟₁₆-12⅟₁₆ percent; four years 11⅟₁₆-11⅟₁₆ per cent; five years 11⅟₁₆-11⅟₁₆ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

European rates mixed

Short term interest rates showed no clear trend in Europe yesterday, while U.S. Federal funds were steady but Treasury bill rates continued to decline.

PARIS—Call money remained at 11¾ per cent — the lowest level for two months — and term rates were easier. One-month funds fell to 12⅟₁₆-12⁷⁄₁₆ per cent from 12¾-12½ per cent; three-month to 12½-12¾ per cent from 12½-12⅞ per cent; six-month to 12⅟₁₆-12⁷⁄₁₆ per cent from 12¾-12½ per cent; and 12-month to 12¼-12½ per cent from 12½-12¾ per cent.

FRANKFURT — Call money rose to 9.00-9.20 per cent from 8.60-8.75 per cent, and period rates were also firmer. One-month rose to 8.75-8.85 per cent from 8.60-8.70 per cent; three-month to 8.90-9.00 per cent from 8.80-8.95 per cent; six-month to 8.70-8.80 per cent from 8.50-8.65 per cent; and 12-month to 8.50-8.60 per cent from 8.40-8.50 per cent.

NEW YORK—Federal funds were little changed in early trading at 13¾-14 per cent, compared with 13¾-13¾ per cent at the same time Tuesday. Treasury bills continued to fall, and 13-week bills were quoted at 11.77 per cent, compared with 11.82 per cent on Tuesday and 11.943 per cent at Monday's auction, while 26-week bills fell to 11.75 per cent from 11.79 per cent and 11.858 per cent at the auction.

SINGAPORE — Prime lending rates may decline in the second half of 1980 according to one of Singapore's big four banks, the Development Bank of Singapore. The bank expects a general decline in world interest rates this year and on this basis predicts that prime rates may fall to 8½ per cent compared with 9-10½ per cent at present. It was also suggested that interest rates in Japan may decline after the second quarter, while U.S. rates could show a similar trend by the second to third quarter.

UK MONEY MARKET

Large help

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Day-to-day money was in better supply than generally expected in the London money market yesterday, but discount houses remain very keen sellers of Treasury bills at the moment in anticipation of a general rise in bill rates in the near future. At the same time longer period interest rates weakened quite sharply, amid expectations of a possible fal in Bank of England Minimum Lending Rate as part of the next budget.

Despite the better than expected conditions the authorities gave a large amount of assistance to the market by buying a moderate amount of Treasury bills from the discount houses and a small number of local authority bills.

Banks brought forward slightly run down balances, there was a small excess of revenue payments to the Exchequer over Government disbursements, and the market was also faced with the call of 35½ per cent (£355m) on Treasury 14 per cent stock 1998-2001. On the other hand there was a small decline in the note circulation, and small net maturities of Treasury bills were also in the markets favour.

Discount houses paid around 15½ per cent for secured call loans in the early part, and closing balances were taken at 13-15 per cent.

In the interbank market overnight loans opened at 16½-16½ per cent and ranged between 14½ per cent and 16¾ per cent for most of the day, but fell to 8-10 per cent during the afternoon, before closing at around 15½ per cent.

Rates in the table below are nominal in some cases.

GOLD

Further fall

Gold lost $7 an ounce in the London bullion market yesterday to close at $605-615. However, it finished near its best level of the day, after an opening level of $600-610 and a morning fix of $599.25. While trading remained at a comparatively low level, demand for the metal picked up after the early low levels, and during the afternoon, it reached a high for the day of $608-618.

In Paris the 12½ kilo bar was fixed at FFr 76,500 per kilo ($595.54 per ounce) compared with FFr 77,000 ($597.98) in the morning and FFr 77,800 ($600.82) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 32,835 per kilo ($596.00 per ounce) against DM 34,080 ($616.94) previously.

	January 9		January 8	
Gold Bullion (fine ounces)				
Close	$605-615	(£266½-271½)	$612-622	(£270-275)
Opening	$600-610	(£265-271)	$620-630	(£275-280)
Morning fixing	$599.25	(£265.237)	$615.75	(£273.06)
Afternoon fixing	$607.20	(£267.725)	$610	(£270.270)
Gold Coins				
Krugerrand	$624-630	(£274½-277½)	$635-642	(£279-284)
Mapleleaf	$623-629	(£274-277)	$630-640	(£279-284)
New Sovereigns	$155-158	(£68½-69½)	$159-161	(£70-71)
King Sovs	$172-175	(£75½-77½)	$175-180	(£77-80)
Victoria Sovs.	$172-75	(£75½-77½)	$175-180	(£77-80)
Fr 20 Napoleon	FFR520-550	(SFR205-215)	—	—
50 pesos Mexico	$755-765		$760-770	
100 Cor. Austria	$595-605		$600-605	
$20 Eagles	$703-718		$715-730	
$10 Eagles	$385-405		...	
$5 Eagles	$281-300		...	

MONEY RATES

NEW YORK	
Prime Rate	15-15¼
Fed. Funds	13¾-14
Treasury Bills (13-week)	11.77
Treasury Bills (26-week)	11.75
GERMANY	
Discount Rate	6
Overnight Rate	9.10
One month	8.80
Three months	8.95
Six months	8.75
FRANCE	
Discount Rate	9.5
Overnight Rate	11.75
One month	12.125
Three months	12.3125
Six months	12.375
JAPAN	
Discount Rate	6.25
Call (Unconditional)	8
Bills Discount (three-month)	8.5

LONDON MONEY RATES

Jan 9 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	8-16¾	—	—	—	16¼-16½	5-15½	—	—	—
2 days notice	—	—	16¾-16⅞	—	—	—	—	—	—	—
7 days or 7 days notice	—	16⅛-16¾	16⅞-17	—	17⅛	16¾-17	15½-16	—	—	—
One month	16⅞-16¾	16⅝-17	17	18-17¾	17⅛	17⅛-17¼	16⅛	15⅟₁₆-15¾	17⅟₁₆-17⅛	17⅛
Two months	16⅞-16¾	16¾-17	—	17⅝-17⅛	17⅛	—	16⅝	15⅞	16¾-15⅟₁₆	17
Three months	16⅞-16¾	16¾-16⅟₁₆	16⅟₁₆-17	17¼-16¾	17⅛	17¼	16⅝	15⅞-15⅟₁₆	16⅛-16⅟₁₆	16⅞
Six months	16⅟₁₆-16⅟₁₆	16⅛-16⅛	16⅜-16⅛	16⅜-16	16⅞	—	—	—	15⅝	16⅛
Nine months	15¼-15⅝	15⅝-15⅝	—	16¼-15⅝	16⅛	—	—	—	—	—
One year	15⅛-15	15-15¼	15½-15⅝	15⅛-15¼	16	—	—	—	—	—
Two years	—	—	15½-15⅝	—	—	—	—	—	—	—

Local authorities and financial houses seven days' notice others seven days fixed. * Long-term local authority mortgage rates nominally three years 15½-15¾ per cent; four years 16½ per cent; five years 15⅞-16½ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16⅟₁₆ per cent; four-month trade bills 16¾ per cent.

Approximate selling rates for one-month Treasury bills 15⅟₁₆-15¾ per cent; two-month 15¾ per cent; three-month 15⅟₁₆-15-53-64ths per cent. Approximate rates for one-month bills 16⅟₁₆-17 per cent; two-month 16½-16⅟₁₆ per cent; three-month 16⅝-15⅟₁₆ per cent; one-month trade bills 17 per cent; two-month 16⅞ per cent and three-month 16¾ per cent.

Finance Houses Base Rates (published for the Finance Houses Association) 17 per cent from January 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.6434 per cent.

WORLD STOCK MARKETS

NEW YORK

Stock	Jan. 8	Jan. 7
Cincinnati Mil.	29	27⅞
Citicorp	24¼	23⅝
Cities Service	86¼	86
City Investg.	17⅝	17⅝
Clark Equipment	37⅞	38¼
Cleve Cliffs Iron	33½	32½
Clorox	10¼	10
Cluett Peaby.	9⅜	9⅛
Coca Cola	35	34⅞
Coca Btl. NY	6⅛	5⅞
Colgate Palm	14¼	13⅞
Collins Aikman	8	8
Colt Inds.	46⅝	44⅝
Genuine Parts	23⅞	23½
Georgia Pac	25¾	25⅝
Geosource	49	49¼
Gerber Prod	24	23½
Getty Oil	75½	73¾
Giddings Lewis	27⅝	26¼
Gillette	25¾	25
Global Marine	39¼	39
Goodrich (BF)	21	20⅛
Goodyear Tire	13⅛	12¾
Gould	23¾	23¼
Grace	39⅞	39⅛
Grainger (WW)	36	36
McDonnell Doug.	42¼	41⅝
McDonough	27¼	26⅝
McGraw Edison	28⅝	26¾
McGraw-Hill	27⅛	26⅞
McLean Truckg.	13	13⅛
Mead	25⅝	25
Media Genl	24⅛	24⅛
Mellon Natl	28	27⅞
Melville	27⅛	27¼
Memorex	17¼	17
Mercantile Strs.	38¾	38¾
Merck	74⅝	72¾
Meredith	33⅝	33¼
Merrill Lynch	21¼	19
Ryan Homes	22	21½
Ryder System	22½	23
SPS Technolog.	28⅞	28⅝
Safeco	37	36¾
Safeway Stores	34½	34¾
St. Joe Minls	37	36⅞
St. Louis-San F.	54⅝	53
St. Paul Cos.	40⅜	40¼
St. Regis Paper	30¼	29½
Santa Fe Inds.	50⅛	49⅝
Santa Fe Intl	35½	34½
Saul Invest	7⅝	7½
Saxon Inds.	8	8
Schering Plo.	30	29¾
Whittaker	19⅝	18⅛
Wickes	16	15⅜
Williams Co.	30¼	30
Winn-Dixie Str.	27⅞	27⅛
Winnebago	2⅛	2⅛
Wisc Elec Power	23¼	23⅛
Woolworth	24¼	24
Wrigley	76	76
Wyly	5⅞	5⅞
Xerox	62¾	58⅞
Yellow Frt Sys	15¾	15½
Zapata	29⅝	28⅝
Zenith Radio	9¾	9½
U.S. Trs 4% 1980	99⅞	99⅞

Dow up in 49m early trade

IN EXTREMELY heavy volume, Wall Street continued to advance broadly yesterday morning, with later profit-taking well-absorbed.

The Dow Jones Industrial Average, which surged nearly 20 points on Tuesday, rose another 9 point in the first hour of trading and was a net 7.25 above the overnight level at 858.96 at 1 pm yesterday. The NYSE All Common index scored a fresh advance of 64 cents at $62.23 at 1 pm, while rises commanded a three to one lead over declines.

Turnover in the first hour of trading totalled 20.22m shares, the second largest first-hour volume ever, while share volume by 1 pm had reached 49.41m, against Tuesday's 1 pm level of 30.39m.

Analysts said the burst of buying came from institutions afraid of missing a major upward movement in the market. Harvey Deutsch, of Purcell Graham, called it a case of "pension money all trying to run through a door at the same time."

Robert Stovall, of Dean Witter Reynolds, said the surge was touched off on Tuesday, when the Federal Reserve Board reported that the expansion in consumer instalment debt in November, as in October, trailed the record pace of September.

Steel, Aluminium, Chemical and Machine Tool issues rose, but some recently strong groups such as Aircraft, Copper and Computer stocks were hit by profit-taking. Volume leader IBM slipped ¼ to $66¾ and Boeing ¼ to $57⅞.

Also among the actives, Dow Chemical gained 1 to $33¾, Bethlehem Steel ⅜ to $24⅞ and General Electric ½ to $54⅛. Recently depressed Eastman Kodak, which plans to raise capital spending, added ½ at $48⅜.

Teledyne eased ½ to $145⅞ after reporting a modest rise in fourth-quarter profits. It jumped 7 points on Tuesday.

Precious Metals issues improved as Bullion recovered a little from Tuesday's decline.

THE AMERICAN SE Market Value Index went ahead a further 2.57 to 253.45 at 1 p.m. on volume of 6.27m (4.53m).

Closing prices for North America were not available for this edition.

Canada

Most sectors staged a fresh advance in busy early trading, with the Toronto Composite Index forging ahead 20.2 to a new record level of 1882.8 at mid-day. The Oil and Gas index rose 20.5 to 3,795.3, Metals and Minerals 28.1 to 1909.0 and Golds 4.4 to 2734.6. In Montreal, Banks climbed 2.93 to 304.38, Papers 3.03 to 171.69 and Utilities 2.48 to 249.09.

Tokyo

In the wake of Wall Street's sharp overnight rise, the Tokyo market mainly advanced in another active trade yesterday, with defence-related shares among those favoured.

The Nikkei-Dow Jones Average reached a record 6,591.83, up 28.55, while the Tokyo Stock Exchange Index climbed 1.78 to 459.92. Advances on the Frist Market section outnumbered declines by 365-to-241, while volume amounted to 620m shares (600m).

Machine Tools, Electricals, Steels, Shipyards, Motor Components, Chemicals, Textiles and Constructions were higher. Buying demand later spread to Petroleums and Trading concerns, as well as Non-ferrous Metals, which eased initially in reflection of lower gold prices.

Among Trading Houses, Marubeni rose Y16 to Y378 and Mitsubishi Y21 to Y721.

Nippon Steel improved Y3 to Y126, Kobe Steel Y3 to Y125, Mitsui Engineering Y3 to Y194, Hitachi Y3 to Y273 and Hitachi Seiki Y21 to Y366.

Maruzen Oil gained Y13 to Y355 and Sumitomo Metal Mining Y6 to Y305, but Sharp, down Y9 at Y638, and other Semi-conductor companies, which rose initially, fell on profit-taking.

Among Light Electricals, TDK Electronic gained Y20 to Y1,810 and Matsushita Elelcrical Y8 to Y708.

Germany

Spurred on by the overnight buoyancy on Wall Street, most shares improved further in active dealings. The Commerzbank index gained 3.8 to 710.2.

Engineerings and Steels mirrored the strength of Wall Street defence stocks, with GHH rising DM 4 to DM 198, MAN DM 4.70 to DM 189, Deutsche Babcock DM 4 to DM 255 and Thyssen DM 3.10 to DM 83.30.

In Chemicals, BASF put on DM 1.70, while among Electricals, Brown Boveri climbed DM 8.20 to DM 298 and Varta DM 3.50 to DM 168.

Public Authority Bonds shed up to DM 1 more as the subscription period for the new Railway Loan opened. The Bundesbank gought a nominal DM 27.6m of paper in open-market operations after purchases of DM 10.8m the previous day.

Paris

Easier Gold prices, the relative stability of the dollar and Wall Street's good overnight performance pushed Paris Bourse prices further ahead in busy trading.

Gains outstripped falls by 151 to 34 in the French section, where Metals and Electricals were strongly favoured, but Banks and Insurances were mainly easier.

Outshining all other issues was the Electrical engineering company Cie Electro-Mechanique, which closed 16 per cent higher for no apparent reason.

Nord-Est, temporarily suspended because of an influx of buying orders, resumed at FFr 35.9, up from FFr 33.3. Nouvelles Galeries edged up 50 centimes to FFr 79 after announcing higher 1979 turnover.

Peugeot-Citroen strengthened FFr 10 to FFr 262 after its subsidiary, Automobiles Peugeot, announced that it expects a 15.7 per cent increase in turnover for last year.

Australia

Renewed overseas and local buying left Mining and Industrial issues firmer for choice, but Oils were no better than mixed. The Sydney All-Ordinaries index gained 5.09 to 769.38.

Partners in the Ashton diamond venture were well-supported following the quarterly report. CRA advanced 26 cents to A$5.28, Ashton Mining 22 cents to A$3.20 and Northern Mining 20 cents to A$3.20.

Among Tin producers, Renison rose 40 cents to A$17.10, but Aberfoyle, despite higher dividend and profits, lost 10 cents of its recent rise to close at A$17.10.

Elsewhere in Minings, Western Mining moved ahead 13 cents to A$3.68 and Pancontinental 30 cents to A$6.90.

Gold shares, however, tended easier in fresh profit-taking, with Poseidon, A$2.35, and GMK, A$3.60, shedding 5 cents apiece, and Emperor losing 7 cents to A$1.60.

In the Energy sector, Woodside Petroleum advanced 11 cents to A$2.45, while Coal and Allied receded 16 cents to A$8.

BHP put on 10 cents to A$12.10, while Brisbane TV rose 30 cents to A$4.30 and Philip Morris 20 cents to A$5.80.

Amsterdam

Widespread gains occurred, with Unilever rising Fl 1.20 in Dutch Internationals.

Elsewhere, Bols advanced Fl 4.40 on announcing a one-for-10 bonus issue, ranking for an unchanged Fl 1 interim dividend. Van Ommeren rose Fl 7, Nedlloyd Fl 3.20, ABN Fl 4 and Nationale Nederlanden Fl 2.70.

Hong Kong

In contrast with the market's recent volatile movements, stock prices mainly closed narrowly mixed, although trading remained active. The Hang Seng index was a modest 2.43 higher at 850.75.

Among the leaders, Hong Kong Land was 40 cents higher at HK$ 14.20, but Hong Kong Electric eased 10 cents to HK$ 6.10 and Swire Pacific "A" 10 cents to HK$ 9.

Johannesburg

Gold shares continued to ease in nervous trading on the lower international gold price.

CANADA

Stock	Jan. 8	Jan. 7
Abitibi	20⅛	18½
Agnico Eagle	11⅛	12⅞
Alcan Alumn.	59½	58¼
Algoma Steel	31	30⅞
Asbestos	37½	36½

BELGIUM (continued)

Jan. 9	Price Frs.	+ or —
Petrofina	5,700	+30
Royale Belge	5,260	+10
Soc Gen Banq	2,800	—70
Soc Gen Belge	1,650	+50
Sofina	3,230	+45
Solvay	2,385	—15
Traction Elect.	2,500	

HOLLAND

Jan. 9	Price Fls.	+ or —
ACF Holding	78	—1.5
Ahold	81.8	—0.2
AKZO	25.9	+0.4
ABN	310	+4
AMEV	103.6	+1.6
AMRO	65.3	+0.3

AUSTRALIA

Jan. 9	Price Aust. $	+ or —
ANZ Group	4.80	+0.05
Acrow Aust	1.02	
Allstate Expl.	0.76	—0.03
Amsp Pet.	1.10	
Ast. Pulp Pap.	2.20	
Audimco	0.26	
Aust Cons Ind.	2.47	—0.03
Aust Guarant.	1.43	+0.03

JAPAN (continued)

Jan. 9	Price Yen	+ or —
Makita	1,110	—60
Marubeni	378	+16
Marudai	641	—3
Marui	772	+5
Matsushita	708	+8
M'ta Elec Works	565	—3
M'bishi Bank	380	+5

Indices

NEW YORK—DOW JONES

	Jan. 8	Jan. 7	Jan. 4	Jan. 3	Jan. 2	Dec. 31	1979-80 High	1979-80 Low	Since Compil'tn High	Since Compil'tn Low
● Industr'ls	851.71	832.00	828.84	820.31	824.57	838.74	897.61 (5/10)	796.67 (7/11)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	73.84	73.62	73.76	73.75	73.47	73.35	86.10 (16/8)	73.35 (31/12)	—	—
Transport	258.17	259.15	251.31	247.22	249.71	252.39	271.77 (15/8)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	108.69	107.51	106.94	106.16	105.89	106.60	109.74 (17/12)	98.24 (24/10)	163.32 (20/4/69)	10.52 (28/4/42)
TradingVol 000's	53,540	44,740	39,410	50,750	41,020	31,890	—	—	—	—

●Day's high 853.67 low 828.84

	Jan. 4	Dec. 28	Dec. 21	Year ago (approx)
Ind. div. yield %	6.03	6.03	6.03	5.84

STANDARD AND POORS

	Jan. 8	Jan. 7	Jan. 4	Jan. 3	Jan. 2	Dec. 31	1979-80 High	1979-80 Low	Since Cmpl't'n High	Since Cmpl't'n Low
‡Indust'ls	122.24	118.65	119.32	117.81	118.41	121.02	124.49 (15/10)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	108.95	106.81	106.52	105.22	105.76	107.94	111.27 (5/10)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Jan. 2	Dec. 26	Dec. 19	Year ago (approx)
Ind. div. yield %	5.38	5.27	5.24	5.04
Ind. P/E Ratio	7.54	7.67	7.70	8.84
Long Gov. Bond Yield	10.16	10.17	10.09	8.96

N.Y.S.E. ALL COMMON

Jan. 8	Jan. 7	Jan. 4	Jan. 3	1979-80 High	1979-80 Low
62.59	61.40	61.17	60.34	62.88 (21/9)	53.88 (27/3)

Rises and Falls	Jan. 8	Jan. 7	Jan. 4
Issues Traded	1,897	1,904	1,869
Rises	1,200	904	1,254
Falls	348	624	304
Unchanged	349	376	311
New Highs	104	90	46
New Lows	8	10	16

MONTREAL	Jan. 8	Jan. 7	Jan. 4	Jan. 3	1979-80 High	1979-80 Low
Industrial	332.09	329.63	325.31	324.29	332.12 (5/10)	219.19 (2/1)
Combined	311.71	309.45	307.22	305.90	314.35 (5/10)	225.80 (2/1)
TORONTO Composite	1882.8	1814.1	1795.2	1788.4	1882.6 (8/1/80)	1315.8 (2/1)

	Jan. 9	Jan. 8	Jan. 7	Jan. 4	1979-80 High	1979-80 Low
AUSTRALIA						
Sydney All Ord. (1936/59)	769.38	764.29	768.77	761.29	771.21 (5/1/80)	546.72 (2/1/79)
Metals & Minls (1936/59)	4780.96	4711.70	4888.84	4680.14	4847.88 (3/1/80)	2567.34 (2/1/79)
AUSTRIA						
Credit Aktien (2/1/62)	68.69	68.65	68.40	68.55	68.40 (7/1/80)	61.55 (2/5)
BELGIUM						
Belgian SE (31/12/65)	102.30	102.18	103.18	101.74	109.47 (5/10)	98.89 (3/1/79)
DENMARK						
Copenhagen SE (1/1/73)	84.80	84.01	84.16	85.16	97.46 (25/7)	84.08 (9/1/80)
FRANCE						
CAC General (29/12/61)	(u)	(u)	100.4	99.80	115.1 (5/10)	82.4 (16/2)
Ind Tendance (28/12/79)	101.5	100.2	97.7	97.40	101.5 (9/1/80)	96.6 (3/1/80)
GERMANY						
FAZ-Aktien (31/12/58)	225.0	225.88	222.88	222.29	265.60 (16/1/79)	220.75 (3/1/80)
Commerzbank(Dec.1953)	710.2	706.4	702.9	701.50	858.60 (16/1/79)	695.5(3/1/80)
HOLLAND						
ANP-CBS General (1970)	84.8	83.6	83.5	83.20	94.2 (24/1/79)	82.7 (3/1/80)
ANP-CBS Indust. (1970)	68.2	67.1	67.1	66.50	85.8 (24/1/79)	65.7 (13/12)
HONG KONG						
Hang Seng Bank(31/7/64)	850.75	848.32	816.18	848.84	889.75 (2/1/80)	485.83 (2/1/79)
ITALY						
Banca Comm. Ital (1972)	87.79	86.30	88.95	85.83	93.85 (4/10)	66.38 (2/1/79)
JAPAN						
Dow Average (16/5/49)	6591.83	6563.28	6552.85	6560.76	6591.83 (9/1/80)	5925.87 (10/4)
Tokyo New SE (4/1/68)	459.92	458.14	458.24	458.80	465.24 (28/9)	435.13 (13/7)
NORWAY						
Oslo SE (1/1/72)	133.74	135.16	135.68	133.20	142.22 (13/12)	74.46 (16/1)
SINGAPORE						
Straits Times (1966)	439.73	438.22	433.09	432.36	439.73 (9/1/80)	346.34 (26/2)
SOUTH AFRICA						
Gold (1958)	(u)	518.8	521.9	585.8	540.3 (2/1/80)	228.40 (17/4)
Industrial (1958)	(u)	497.4	499.2	495.5	497.4 (8/1/80)	270.88 (2/1/79)
SPAIN						
Madrid SE (28/12/79)	99.47	99.51	(c)	100.05	100.75 (2/1/80)	99.47 (9/1/80)
SWEDEN						
Jacobson & P. (1/1/58)	345.75	345.46	346.79	346.22	401.34 (6/2)	331.37 (24/8)
SWITZERLAND						
Swiss Bank Cp. (31/12/58	308.9	301.5	297.5	299.2	329.10 (2/6)	284.00 (3/1/79)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

FINANCIAL TIMES SURVEY

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ARAB INSURANCE

For all its promise, the Arab world is proving less of a bonanza for Western insurance institutions than was once expected. Some of the disappointment stems from the attitudes of the prevailing Moslem culture, whose dictates run counter to much of Western thinking. It remains, however, an area which few insurers can afford to disregard.

Bridge between two worlds

By James Buxton

THIS YEAR promises to be a particularly difficult one for insurance in the Arab world. Rising tension and political uncertainty in the Gulf and Saudi Arabia—once regarded as an island of relative tranquillity—*is causing gloomy reassessment* of risks by insurers who have not found the area as lucrative as they had expected.

The Arab boycott of Egypt has removed from the slowly growing intra-Arab reinsurance network one of its most experienced participating States. The Arab world's dependence on London and other overseas markets was shown up last year in the row between the Gulf States and Lloyd's of London over the imposition of war risk surcharged premiums for Gulf voyages. This is a dependence that the Arabs find increasingly hard to accept.

The structure of the insurance industry in the Arab world ranges from total State control in countries like Algeria and Libya to the uncontrolled ex*plosion in the United Arab* Emirates, where there may be as many as a hundred companies operating in an unregulated market. In all other Arab countries insurance is regulated to a greater or lesser degree, and in Egypt, Syria, Iraq, Algeria, Libya and South Yemen it is nationalised, while in Kuwait, Sudan, Morocco and other countries it is in differing *degrees under local ownership.*

In Saudi Arabia, which is the biggest market in the region, no insurance companies can be registered locally but all have large, usually majority, Saudi participation.

This somewhat quaint arrangement is the compromise that the Saudi Government has reached on the difficult question of the attitude of the Koran, the Moslem holy book, to insurance. Theoretically it is taboo because of the prohibition of usury and because it is perceived to be wrong (as well as pointless) to take a gamble on God's will. In practice the religious establishment, or Ulema, has not proclaimed its opinion and meanwhile the Government insures its own projects, while consciousness of the value of insur*ance is gradually growing, as it* is throughout the Arab world.

But life assurance has been inevitably slow to catch on in the Arab world, partly because the idea is simply very alien to the Arab mind but partly because, being a function of the amount of personal wealth a man has, there are relatively few individual wealthy people in the Arab world.

The Arab world has provided the *most rapidly growing* insurance market in the world since the 1973-74 oil price rise. According to Dr. Mustafa Rajab of the *Iraq* Reinsurance Company, premiums received in 1978 in direct insurance amounted to $1.58bn, and with the addition of premiums presumed to have been earned in Saudi Arabia and Lebanon the figure could be as high as $3bn. Over the four years from 1975 to 1978 premium income grew by an average of about 20 per cent.

Frighteningly

But the Western companies which became involved in some of the Arab countries have generally found the market a great *deal less* profitable than they had hoped. Too much competition, rate-cutting, and the operations of fly-by-night companies have compounded problems in Saudi Arabia and the UAE; and the insurers underestimated the effects of port congestion in piling up insured cargoes until aggregate values became frighteningly big.

But the main problem *lies in* the nature of the Arab insurance market itself; there are a number of very large risks—the big industrial projects and oilfield installations, for example—but only a trickle of bread-and-butter premium income from a wide spread of low-risk business such as motor, fire and accident, on which insurers depend for cash flow.

This has been coupled with the bad loss experience. Several disasters occurred over the past six years in hydrocarbon-producing installations, of which the most spectacular was the loss of the Umm Said gas liquefaction plant in Qatar in 1977. The Arab world did not turn out to have the mix of large premium income and few major claims that had been rather *unrealistically* hoped for when the boom began.

The size of the big risks has made reinsurance particularly important and the Arab countries have had to accept that a large proportion will be placed abroad because of the lack of reinsurance capacity in the Arab world, and, to a lesser extent, because of lack of expertise. As long ago as 1964 *the General Arab Insurance* Federation (GAIF) was founded to create an insurance common market which would enable a large proportion of premium income to be retained in the Arab world. It encouraged individual countries to set up their own reinsurance companies to handle part or all the reinsurance in the country: Algeria, Egypt, Iraq, Kuwait, Morocco and Sudan did so.

But its most important step was to establish five reinsurance pools, each managed by a member company in a different state, to handle reinsurance in the categories of aviation, engineering, fire, marine cargo and marine hull. The aim of allowing the direct insurers to spread their risks evenly within the region and so increase retentions has been *only* partially achieved. Too few insurers in too few countries have been prepared to place their reinsurance with them and to accept reinsurance from them. The lack of trust in the pools has hindered the growth of the whole Arab insurance business.

Now this slowly growing Arab reinsurance market has suffered a further blow. The *most successful* pool, the aviation pool, was run by the Misr Insurance Company in Egypt. Under the requirements of the Arab boycott of Egypt which followed its peace treaty with Israel the pool has been moved to Morocco, where it is run by the Société Centrale de Réassurance. Arab insurers and reinsurers have been asked by GAIF to allow treaties of reinsurance they have with Egyptian concerns to lapse when they come up for renewal.

Weakened

It is too early to say how serious an effect the split with Egypt will have. Theoretically the move should have little effect on either Egyptian or other Arab insurers' relations with outside reinsurers, though outside companies may be reluctant to place reinsurance in Arab markets.

The move has weakened the Arab market and has not helped its lack of balance—one of its main weaknesses at present. The small size of the Arab reinsurance market was shown up by the Umm Said disaster in 1977 because much of the loss *fell on a small number of Arab* reinsurers. The Arab reinsurance market has had to contend with the *fact* that the boom in the Arab world has taken place while the rest of the world economy has been in relative recession—so there was that much less reinsurance business coming to the Arab market from elsewhere.

If the GAIF dispute is a set*back to the Arab insurance* industry's ambitions, Lloyd's of London's action last summer in attempting to impose war risk surcharged premiums on Gulf voyages was seen in the region as an affront to Arab nationalism—and as the result of an alarmist and ill-informed assessment of the risks in the Gulf. It followed warnings by Sheikh Yamani, the Saudi Oil Minister, of the possibility of terrorist attacks on shipping in the Hormuz Strait, and a scare in the area provoked by a U.S. intelligence warning.

After delegations from the Arab insurance industry had held talks with Lloyd's the decision to increase the premium was deferred. But in late November, after the taking of the U.S. hostages in Tehran led to tension between Iran and *the U.S., this compromise* was overtaken by events and additional premiums for voyages to the Gulf were proposed by Lloyd's. Ship owners wishing to be covered against their ships being blocked or trapped in the Gulf have to pay an additional premium.

There seems little doubt that the Lloyd's incident will make Arab States more anxious to *bring into the Arab world* the insurance of ships which are in any sense under their control. There are fears that war risk cover could be lost to the London market: already the Kuwaiti Government covers the war risk insurance of the Kuwait national tanker fleet. The next step is to create an Arab War Risk Hull Pool: it was decided at a recent con*ference in Baghdad to establish* it by July, 1980, and meetings are to be held in March with Gulf Government representatives to persuade them to give the idea their positive support.

Tuned

The Iranian revolution and the effect it had on construction contractors there has made *companies far more concerned* about political risk and more inclined to take out insurance against such things as the unfair calling of on-demand bonds as a result of political action or developments. While Britain's Export Credit Guarantee Department and other national export credit agencies provide cover, more finely tuned policies can be arranged through the commercial market.

But there is a limit to what the insurance industry can do to satisfy bond requirements through guarantees. Over the past six years political risk cover has become much more expensive and rates for Saudi Arabia have increased by 20 per cent following the seizure by terrorists of the Grand Mosque in Mecca last November.

Last year Britain's High Court had to decide whether the events in Beirut in January 1976 constituted civil war or not. Spinney's, a super-market owner, claimed that Royal Insurance should pay a claim for the looting of its supermarket in West Beirut on the grounds that what was happening was not civil war but extended riots and as *such not covered by the* exclusion clause in the insurance policy.

But in November Mr. Justice Mustill ruled that while the events did not constitute civil war, hostile or warlike operations, rebellion or insurrection, they did come within the expression "usurped powers" and did constitute a civil commotion. The outcome, which *could be subject to appeal, may* disappoint other companies with big insurance claims resulting from the troubles in Beirut.

The Arab insurance world therefore begins 1980 with its indigenous reinsurance market weakened and with Western insurers continuing to show disappointment that the region has yielded neither good profits nor *political stability. Yet on a* personal level, relations between the Arab and the Western insurance industries remain warm and this may neutralise the effect of some of the harsher rhetoric.

National companies dominate Gulf region

This article discusses the insurance scene in Kuwait, the United Arab Emirates (UAE), Qatar *and Bahrain.*

KUWAIT

IT WAS appropriate that Kuwait should have led the protest against Lloyd's of London's decision last July to impose a war risk surcharge premium on Gulf voyages. Not only is Kuwait the most important Arab ship-owning State in the Gulf, and headquarters of the multi-State Arab Maritime Petroleum Transport Company; it has the strongest and most mature insurance industry in the region.

Kuwait, generally regarded as one of the best regulated insurance *markets* in the region, had its first locally owned concerns in operation in the late 1950s and the tight network *of* regulations, which have been emulated in other countries, was imposed in 1962. The 1962 legislation also froze the number of insurance companies operating in the State, so that those established were able to build up their strength without *excessive competition* as rising oil revenues gave Kuwait spectacular economic growth.

The three biggest insurance companies in Kuwait are all locally owned—Kuwait Insurance, Gulf Insurance and Al Ahleia. All were operating in the 1960s. A fourth Kuwaiti company, Warba, began operating in 1976, with the Government taking a shareholding. There are about 17 non-Kuwaiti insurance companies operating in the State.

Gross premiums for the four Kuwaiti companies amounted to KD 40m in 1978. In terms of gross premiums motor and general insurance was the largest sector in that year, producing a premium income of KD 20m, but it was not the most profitable, with the profit margin 6.8 per cent of premium income compared with a figure *of 8.4 per cent for fire.*

Marine insurance became more profitable in Kuwait in 1978, with a profit margin of 6 per cent, after several poor years as a result of port congestion.

UAE

Perhaps the most telling point about the insurance scene in the United Arab Emirates is that no one can tell you just how many companies and brokers are operating in the country. Official statistics researched two years ago and only recently published show that there are some 69 institutions working in the field, but local industry sources believe there may be as many as 104 companies operating in the UAE.

The UAE is nevertheless one of the most prolific insurance *markets in the Gulf area,* second only to Kuwait. Premium income has gone from $98m *in 1977* to an estimated $135m this year, though local insurance men believe this represents only half of the *insurance* placed in the UAE, with the other half being arranged through local brokers and placed directly *outside.*

Yet like the UAE banking scene it is a market which experiences fierce competition, not all of it healthy, with some of the newer and smaller members in the insurance community attempting to enter the market by undercutting rates and taking short cuts on reinsurance treaties and generally over-extending themselves on risks.

There is considerable concern in the industry about the solidity of some of its members, and it has already had its *failures, when a* locally established firm in Dubai was forced to go into liquidation last year.

A *few* months *later,* the growing lack of confidence about such operations is a prime concern of the UAE Insurance Association, *an* informal grouping of insurance companies, representatives and *local and foreign brokers.* However, the Association has fallen victim of the rivalry which exists between the two major emirates, Dubai and Abu Dhabi, and unfortunately is not supported by the two major forces in the UAE insurance market, namely the Abu Dhabi National Insurance Company and the Al Ain Al Ahlia Insurance Company.

All participants in the UAE insurance market now realise the need for tighter Government legislation and corporate self-control to promote greater stability and ultimately protect the policy holder. Yet the two major Government companies have hesitated to support the *Association* because they feel it is a "Dubai" institution and because they are against any establishment of common motor tariffs, which was one of the objectives of the Association.

The UAE Insurance Association will remain weak until the two semi-State companies can be drawn into it. They do after all account for more than 60 *per cent of the market in the* UAE (in 1978 they absorbed $68m of premiums out of a total of U.S. $112m). They are considerably aided by the official *bias of the Abu Dhabi* Government *towards them,* particularly in the marine field, which forms the largest part of their portfolios.

The Abu Dhabi National Insurance Company (ADNIC) also handles all the insurance for the oil companies operating in the emirate, and, more important, the growing giant, the Abu Dhabi National Oil Company, which is presently engaged on $7bn of oil and gas projects. ADNIC is the largest company in the UAE, with an estimated $51m of premiums in 1979. Al Ain Al Ahlia is the second, trailing at $11m, with the rest of the local insurance companies left to do battle in the private sector.

Even the largest of its members in the insurance community concede that there could be failures looming up in the future, particularly if new companies continue to come into the UAE. Although there has been a massive boom in the field in the last five years the pre-*dominance of the Government* semi-State companies, the lull which will follow the completion of the major oil and gas projects, and the *high* establishment costs may deter new entrants to the market, it is hoped. However, the insecurity *felt about the local and Arab* concerns will continue and the need for more regulatory Government interest will grow.

A draft Bill regulating the operations of insurance companies has in fact been in existence for over four years now, but the lack of one voice to promote it, and the normal slow passage of legislation through the Federal machinery, mean that it may be another four *years before it is passed. In* brief, the Bill provides that all insurance companies—local or foreign—operating in the UAE must have a minimum capital base of U.S.$1.3m (at present local companies only have to have a $270,000 capital base, Arab firms $1.2m).

Another clause will oblige all brokers in the country to channel their business through the locally registered companies instead of placing directly outside. Such a move could almost double the premium market in the country, *depending on the* pace of development.

The Association believes the Bill is not strong enough and points out that it is not as wide as legislation prevailing in Lebanon or even in Oman, which recently tightened up on the insurance field. The semi-State companies say neverthe-*less it is a start, and that the* important thing is to get this Bill through as soon as possible. However, both ADNIC and the Al Ain are now attempting to speed up the process by first getting the Bill accepted by the Abu Dhabi executive council, which is an easier task than getting it approved by the Federal Government.

QATAR

In Qatar things are simpler. The Qatar Insurance Company (QIC) has something approaching a monopoly since the Government places all its business *with it—including big* premium business relating to oil and gas installations. When the Umm Said gas liquefaction plant was completely destroyed in April, 1977, the loss—reinsured—was nearly ten times the QIC's premium income of the previous year. While QIC takes about more than two-thirds of total premiums, there are five other insurance companies operating in Doha.

BAHRAIN

The development of "insurance-consciousness" in Bahrain has been matched by the rapid growth of national companies, and although there are only four of them out of a total of 17, they have won an estimated half share of the market.

The company handles all classes of insurance, including life. Premium income in 1978, of which motor business accounted for 60 per cent, was $5.8m, and this has increased to approximately $6.6m in 1979. BIC made a 1978 profit of over $800,000, and is confident of showing an improvement in its latest balance-sheet, despite liability for what promises to be the biggest fire loss on the island.

In August, at a time of political unrest, the big modern Awal Cinema was gutted by an unexplained fire in the early hours of the morning, and first indications are of $5.8m of damage.

It has become standard practice in the Gulf for national and pan-Arab undertakings to insure with Gulf companies. Thus the insurance for the OAPEC-owned Arab Ship Repair Yard dry dock is carried by a consortium, led by BIC, of the national companies in each of the seven shareholding States. Annual premiums from ASRY add up to over $US1.3m, and these are spread among 23 companies according to their country's stake. The Bahrain group shares just under 19 per cent.

Bahrain Kuwait Insurance Company (BKIC) opened in September, 1976, with a capital of $US2.6m, of which 40 per cent was subscribed by four Kuwaiti insurance and reinsurance companies. The capital is now to be increased to just over $US3m, to take in a fifth Kuwaiti company, Warba.

The only 100 per cent Bahraini general insurance company is Al-Ahlia, which opened in 1976 at about the same time as BKIC. The founders were 20 Bahraini businessmen and three public shareholding companies, including the National Bank of Bahrain.

Al-Ahlia handles all classes *of insurance except life, believ*ing itself as yet too small to employ an actuary and enter a highly specialised field. The 1978 premium income of $3m is expected to show a 15 per cent growth in 1979, with about the same percentage increase in the $450,000 profit.

Each of these local insurance companies is *in competition, not* only with the others but with the foreign-based companies. Nine of these are members of the so-called "tariff group" governed by the Accident Insurance Association of Bahrain, chaired by the Bahrain manager of Guardian Royal Exchange (GRE).

The most prominent independent is Norwich Winterthur, which left the tariff group recently and has begun an aggressive campaign to increase its share of local business, particularly in coverage for motor vehicles and household goods.

By Our Middle East Staff

Hull and cargo cover

THE EXPANDING oil-based economies of the Arab world are providing a thriving insurance market for marine and aviation underwriters. The tanker fleets taking the oil out and the cargo vessels taking goods into the countries require insurance for the ships themselves and the cargoes they contain.

It is difficult to generalise about insurance in the Arab world, covering as it does a variety of countries in various stages of development. But in general the marine hull market can be divided into two. There are the large national fleets and the local trading shipping lines with one or more vessels.

Insurance in the Arab world has a strong national bias. The risk has to be placed in the first instance with domestic insurers, which then reinsure on the world insurance markets. This certainly applies to the national fleets, which syndicate the insurance risk to Arab insurers under treaty.

Here the marine risk is fed out to members of the Arab Insurance Federation. Member insurers of this Federation are offered a participation in the risk on the basis of automatic facilities. The members absorb part of the risk and the Federation offers facultive protection on the rest and arranges the reinsurance facilities.

The operation of marine hull risks in the Arab world is not adequate because of severe competition, but this is a world-wide problem. Underwriting experience has been varied, *with some spectacular disasters,* the latest being the tanker Energy Transportation which *blew up last month* in the Straits of Hormuz.

The cargo insurance market is much more free in the arranging of insurance in world markets. The cover is usually provided on the goods right through to the final destination *and not just while at sea or* being unloaded. There were problems of congestion at the docks and goods deteriorating—with Saudi Arabia being particularly affected by this problem.

Alleviated

But expanding dock facilities and the use of contractors to clear accumulation of goods have alleviated much of the insurer's problems. Roads are being improved to handle the increased traffic but theft losses can still be a problem. A change in the type of container is being considered by added side doors so that goods can be inspected. *Again this is a highly competi*tive market and rates are under pressure.

One particularly thorny problem facing UK underwriters concerns the imposition of additional premiums to cover war risks. War risks are insured separately and the extra premium charged is varied according to current political conditions. Last summer UK underwriters imposed an extra premium for the Gulf when it was felt that the possibility of action by Palestinian guerrillas against shipping was not unlikely.

This caused a considerable furore among countries in the Gulf, headed by Kuwait, and there was talk of taking the insurance away from the London market. In the event the extra premium was removed last September. But it was reimposed last month in the wake of the troubles in Iran, a move that aroused no comment.

The war risks premiums for cargoes were not altered. Nevertheless this is a politically sensitive subject and one where underwriters need to act cautiously in a politically unstable area.

Every Arab country has its own national airline and the hull risks are insured locally in the domestic market. The airlines of Syria, Iraq and Jordan and those of Algeria, Tunis, Morocco, Libya and Mauretania are combined in an insurance package to cover the *aviation risks. But the risks* have to be reinsured outside the Arab world, much of it in the London market.

Varied

Arab airlines have a varied record of insurance experience, though there have not been any recent major catastrophes. The standard of operation, *though* not up to European or North American standards, is good—and better than in South America.

Aviation premium rates, like marine, have been subject to pressure because of competition, a world-wide problem despite the number of major crashes that have occurred recently. But *there are moves to harden* aviation market rates.

Some Arab countries, particu*larly Egypt,* Kuwait and Iraq, have comparatively well developed domestic insurance industries, though nowhere near approaching London, European or North American standards. They all suffer from a chronic shortage of capacity that *imposes on them the* need to reinsure the major part of any risk outside the Arab area. Yet all countries legally insist that insurance risks are placed locally in the first place.

Arab insurers have endeavoured to increase capacity and stop the movement of currency outside by forming reinsurance pools. There is both a marine pool and an aviation pool. The objective is to spread the insurance risk more widely over the Arab countries and prevent currency outflows. National reinsurance companies are also being developed, with a statutory duty to reinsure part of the risk with these companies.

But the size of individual risks under modern conditions are becoming massive; the cost of a single supertanker is measured in hundreds of millions of dollars. These risks have to be spread world-wide and the setting up of reinsurance pools and companies is only adding one further tier to the operation. The top tier is still reinsurance with the world insurance centres, and the size of this tier is not decreasing, at least at present. London and other world insurance centres are very much involved in insuring the Arab world.

Eric Short

ARAB INSURANCE III

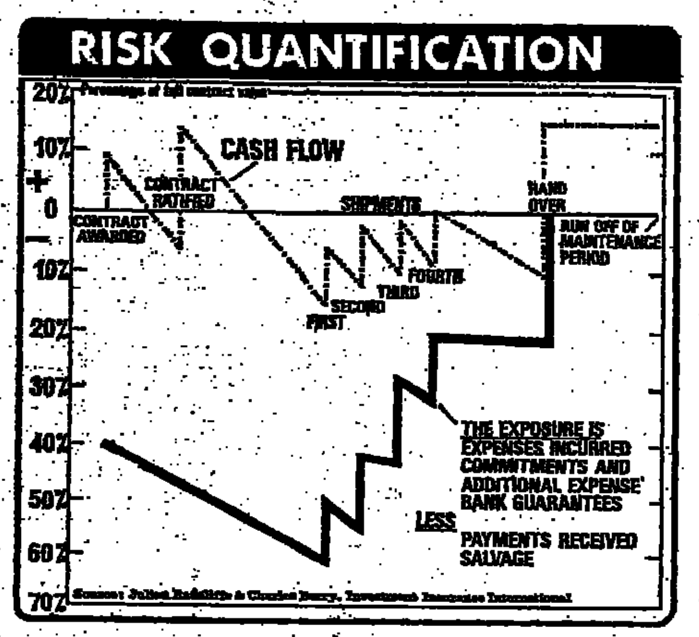
Contractors faced with harsh terms

WITH RECESSION looming at home the attention of Western contractors is focussed as much as ever in the Arab world and especially the oil-rich States there.

Since the price explosion of 1973-4 the latter have largely built up their basic infrastructure. To combat inflation and ease the social strains arising from the rapid development some have also sought to curb expenditure, especially Saudi Arabian and others with a weak and traditional influenced demographic base. In no way will the doubling of per barrel receipts over the past year result in the kind of spending spree witnessed five years ago.

But the region remains the most alluring market for the world's construction business, with recorded contracts of over $40bn awarded last year. At the same time it remains as difficult and problematical as ever.

For a work-hungry industry the intensity of the competition is in direct ratio to the relative wealth of the region. It is still very much a buyer's market, and as a result the Arab oil producers have been able to dictate harsh terms of contract.



Invariable

Fixed price sums remain the almost invariable rule — with the notable exception of projects handled in Saudi Arabia by the U.S. Corps of Engineers and the Arabian American Oil Company (Aramco). Payment delays are still common, with no reimbursement for the cost of interest incurred. There has been no relaxation of the insistence on bid and performance bonds, together with guarantees in respect of advance payments, payable on demand with no defence for arbitrary and capricious calling. No provision is made for independent arbitration.

Now, in the wake of the Iranian revolution there is heightened apprehension about political risks. Because of competition, margins have been cut more than ever, making it harder for contractors to pay higher insurance premiums.

Fears about political risk in the Arab world have existed since 1969 when Colonel Qadaffi's regime came to power in Libya and called in the guarantees made on behalf of certain Italian companies, not for failure in performance but for reasons relating to the manner in which the contracts were originally concluded. Those years had, however, been largely allayed during a decade when there was no major abuse of onerous contract requirements imposed on contractors.

Nevertheless British companies were reminded of their vulnerability in 1977 by a case that may not have been politically inspired but was sobering. A Libyan importer had exercised its option on an unconditional guarantee for rather more than £50,000 that Edward Owen Engineering of the UK was liable for under the terms of a contract to supply greenhouses. The Court of Appeal dismissed an injunction by the company to restrain Barclay's Bank International from paying out the money. More recently the Libyan Government capriciously called a guarantee supplied on behalf of a subsidiary of Simon Engineering costing the ECGD £117,000 in the process.

As a hazardous country Libya has long been regarded as being in a category of its own. Non-Arab Iran has committed a number of defaults since the Revolution. Because of it the Export Credit Guarantee Department has so far paid up £30m for political risk insurance and a similar liability in prospect out of a total exposure of £900m. In general, experience in Iran has led to a more searching analysis of the whole question.

All major Western governments give cover against the unfair calling of on-demand bonds as a result of political action or developments. The ECGD has recently revised its constructional works policy which gives extensive protection against losses arising from political action or developments. Depending on the period of exposure and the country concerned, with each placed in one of four standard categories, the premium varies from 1-3 per cent with 90 per cent cover offered. In itself cover against the unfair calling of bonds costs 0.5 per cent of their value. Currently the ECGD is underwriting nearly 100 contracts with a total contract value of £500m and a bond value of £90m.

The scheme has now been extended to cover "pre-credit" risk from the start of work up to presentation of the first invoice. It is backing tender bonds in some 20 bids for projects worth £175m with the bonds valued at about £2m.

The amount of potential claims being handled is about double what it was a year ago and arguably the ECGD—with its reserves run down and much of them allocated to other contingencies like Turkey—is very exposed in the Arab world.

For the contractor, however, it is a question of either the total ECGD package or nothing. According to the extent of coverage judged necessary, it can be cheaper to insure through the commercial market with a policy more finely tuned to a company's requirements. An important aspect in any choice is assessment of exposure at any given point in the life of a contract. After taking into account payments already received and salvage potential, it can vary by anything from 20 per cent to 60 per cent of contract at any time. Over the past decade Lloyds the American Insurance Group and other insurance companies have developed a broad range of policies to cover political risk.

However, there is a limit to what the insurance business can do to solve the problems of satisfying bond requirements through guarantees. They may be required first to support bids for which the bond percentages range from 1 per cent for government contracts in Saudi Arabia to 5 per cent in Iraq, secondly as security against advance payments, which are generally around 20 per cent of contract value, and, thirdly to guarantee performance of the contract as a whole, for which bonds of 5 per cent or 10 per cent of contract value are most commen.

Exclusively

In the Arab world such guarantees are provided almost exclusively by banks, which issue them only against the security of the counter-indemnity from the contractor or another acceptable third party. The most notable exceptions are Aramco, which does not require guarantees—and also awards contracts on a cost-plus-fee basis—and the U.S. Corps of Engineers, which accepts insurance company surety bonds for some of their projects.

Arab clients are still unfamiliar with the insurance business. They prefer in any case instruments which they understand and can be easily liquidated. For them the complex procedure whereby an insurance company stands surety for a contractor, undertakes to cover actual losses suffered by the buyer and takes responsibility for completing the project has no appeal whatsoever. For their part underwriters have looked with grave reservations on the unconditional nature of unconditional bonds.

Thus, it is the banks that have had to provide the basic service of issuing guarantees and, in the case of U.S. companies, standby letters of credit. The commercial market is limited to the unfair calling cover without the underlying credit that State agencies like ECGD demand.

Charges by banks are very much cheaper than equivalent coverage through the issue of bonds by the insurance industry would be. Indeed, with the growth of the market and the involvement in it of many more banks, rates have fallen to a dangerously low level in view of the inherent risks. Compared with a level of 1-1.5 per cent about a year ago they have fallen to 0.5-1.0 per cent. Because of competition most operators now do not even require a cash security deposits as backing for their commitments on behalf of contractors.

Meanwhile, it is questionable whether many of the banks in the field on construction in the Arab world have the necessary expertise to make the kind of undertakings constituted by unconditional guarantees and stand-by letters of credit relating to projects. Some it is alleged, do not evaluate the credit-worthiness of their customers or their ability to implement contracts.

Perhaps little more than a dozen banks can truly boast of having the necessary expertise. Undoubtedly Bank of America is one of them. Others are Citibank, the British Bank of the Middle East, Grindlays, Credit Lyonnais, Dresdner, Deutsche, Commerz and the Arab Bank. Recently both Lloyds Bank International and Banque Arabe d'Investissements Internationale have become aggressive and prominent in the market. The Italians and French have developed sophisticated pool operations.

Generally the trend has been towards syndicating guarantees in line with the joint venture approach "jumbo" projects. They can be so large that the guarantee requirements exceed the amount which a customer will accept from a bank or, in turn, any one bank is prepared to give. For many contractors the sums involved are frighteningly large in absolute terms and even more so in relation to assays. Overall the contingent liabilities are alarming.

Richard Johns
Middle East Editor

Big market and big risks

THE FASTEST growing insurance markets over the last six years or so have been found in the Middle East, particularly after the quadrupling of the price of oil.

Relatively unregulated, partly because in some of the Arab countries insurance is not officially condoned because it is considered to be gambling on the will of God, the insurance market has managed to maintain a rapid rate of growth. Total premium generated in the Arab countries is estimated to be running in excess of $2bn.

Even so it is still a comparatively small market considering the size of business it attempts to participate in. Most of the small insurance companies set up in the area have largely made their profits from commissions but have not taken a significant underwriting share in the risks.

The bulk of the risks have found their way into the professional reinsurance market, which has been only too eager for a slice of the action.

The experience of insurers in the area has been, to say the least, mixed. Underwriters of both direct and indirect insurance business have had a generally poorer loss experience than many expected in the first five post-oil boom years.

For instance, about half the total premium income of the Gulf States, amounting to around $150m, was lost in a single fire at the natural gas plant at Umm Said, Qatar, in April, 1977, and there have been other disasters only slightly smaller in scale.

Marine cargo and engineering insurance have posed problems. Port delays in the Gulf up to 1977, and the turmoil in Iran from mid-1978 onwards, often meant that marine cargo insurers discovered only after the event that hundreds of separate items they were insuring were all simultaneously destroyed in the same warehouse fire. Insurers failed to anticipate that delays could cause vast concentration of goods. While the individual value of items may not have been significant, collectively the total insured liability of underwriters was very great.

Inevitably it was the established insurers and reinsurers outside the Arab market that had to pick up most of the bill. While there have been nationalistic moves by some governments to set up local insurance businesses through the establishment of pooling arrangements, exemplified by the efforts of the General Arab Insurance Federation, it has been accepted that local markets have not the capacity to handle the really big risks. This became apparent with the emergence of the large construction and transport risks in the seventies.

Reasons

Developing countries cannot keep all their insurance at home for four main reasons: lack of capital; lack of expertise; excessive concentration of risks in their cities and large industrial plants; and, because of the relative lack of small consumer risks, the unbalanced nature of their insurance needs.

The growth of insurance in the Arab world has been stimulated to a large extent by the needs of the international contractor.

As the Arab countries have developed their economies, there has been a surge of construction work, first in infrastructure development and then in industrial development, a trend which has been helped by the oil producers' attempt to reduce their dependence on oil wealth.

The operations of large-scale industrial contractors have stimulated the development of contractors' all-risk insurance for the large civil engineering and contracting concerns operating in the area. The large Janail and Yanbo projects now underway in Saudi Arabia have given an added boost to this type of insurance.

The degree of contractors' all-risk insurance can be vast. In money terms the liability will often run into millions of dollars, while the class of business itself is fraught with hazards.

Inexperienced workers operating large machinery, unpredictable and often adverse weather and territorial conditions and lack of water for firefighting have led to a generally poor underwriting experience on this class of business. Moreover, underwriters have found it difficult to make a suitable adjustment in premium rates to take account of the poor loss experience because of the intense competition from other insurers.

However, better risk management techniques which have been evolved since construction all risks insurance was first developed in the late fifties has meant that underwriters' exposure is not as vulnerable as it once was.

There are large risks of a more indirect nature which are absorbed by the international insurance comunity. The Arab countries generally insist on performance bonds. These are bank guarantees for large sums of money on which the customer can draw if he is dissatisfied with any aspect of the contractor's performance. The on-demand bonds that the Saudis generally require in their contracts, and which are now becoming popular in other developing countries, permit the government to call in the bonds without giving any reason at all.

Insurers have been trying to develop packages to cover this contingency for some years but so far the scope and availibility of such insurance in the UK is extremely limited.

The importance of other indirect insurances was highlighted recently by the clash between Arab, particularly Kuwaiti, mercantile interests and Lloyd's and London company underwriters over surcharging of war risks insurance premiums for ships operating in the Gulf. London underwriters had become increasingly nervous about the security of the Hormuz Strait after suggestions of possible PLO attacks on shipping at the entrance to the Gulf.

Uniform

It was perhaps a measure of the influence of the Arab insurance community that Lloyd's and the London underwriters were unable to establish a consensus view in London for the establishment of a uniform increase in the rate.

Other large insurance covers which overseas industrial companies rely on when operating in the Arab area are political risks insurances. These effectively reduce the company's exposure to the capriciousness of overseas governments. They can protect businesses against the physical loss of property by confiscation or expropriation.

There is still much potential left for the international reinsurer in the Arab market, although perhaps the rate of growth in business might not be so dramatic as in the last few years. His biggest worry is likely to be creating an underwriting profit at a time when competition among international insurers is at its most intense. But better risk management techniques and high interest rates for the moment should offset some of the worst effects of a poor underwriting experience.

John Moore

Growing concern about war risks

THE SERIES of wars between Israel and its neighbours, the years of internal strife in Lebanon, the turbulence which radiates to the Gulf from the revolution in Iran and the insecurity created by the new regime's conflict with the U.S. are all factors which call for a very close consideration of war risks and of clauses exempting the insurers from responsibility for risks connected with war, civil commotion and related events in the region. The structure and rates of marine war risk insurance were recently the subject of negotiations between London and the Gulf insurers. The interpretation and the meaning of the usual exemption clauses has been greatly assisted by Mr. Justice Mustill's recent judgment concerning Spinney's insurance claims for losses suffered in Beirut.

London marine war risk insurance premiums have been rising with the tension created by the conflict between the U.S. and Iran. They were also influenced by the fears that Islamic militancy may spill over into other Arab States. London underwriters became particularly nervous about the security of the Hormuz Strait at the entrance to the Gulf after two countries raised the possibility of terrorists blocking or otherwise interfering with shipping there.

Protests

After a visit in London by a Gulf insurance delegation Lloyd's underwriters agreed to defer the imposition of a war risk surcharge for the Gulf. This should have been an extra premium of 2½p for each £100 of the value of the ship for each voyage in addition to the normal yearly cover costing 2½p. After protests from Gulf, the rates were allowed to float at the discretion of individual underwriters, but the extra premium was doubled under the terms of a new market ruling in late November, following the U.S. confrontation with Iran.

The long-awaited decision in the dispute between Spinney's and Royal Insurance, expected to clarify the fire, theft and similar risks in such situations as existed in Beirut in 1976, was made in the Commercial Court (Queen's Bench Division, High Court, London) on November 2 last. The judgment of Mr. Justice Mustill is still subject to appeal (for which the time was extended to three months) but for the time being it represents the most authoritative analysis of exemption clauses concerning civil war, civil commotion riots, usurped power and activities connected with organisations trying to overthrow the Government or to influence it by terrorism.

Of the 80 pages of the judgment, 28 are taken up by a narrative tracing the history of the political strife and fighting in Lebanon up to 1976. This captivating piece of historical writing is based only on such evidence as was presented by the two parties in the dispute, Spinney's (1948) and associated companies on the one hand and the Royal Insurance Company on the other. Because the evidence was in this way limited, the applicability of the description of the political and military developments is, as the judge said, restricted to the particular dispute before him.

The subject of the dispute was a claim amounting to approximately £1.4m made by Spinney's and associates under eight insurance policies, of which one covered the contents of Spinney's Centre, another stock in trade and a third consequential loss. Other policies concerned buildings, vehicles and loss of monies. The claims made under these policies concerned losses suffered between January 18 and 23 1976 when the retail and wholesale businesses operated by the group in Beirut were looted and stripped of all their stocks, while furniture and fittings were either taken away or smashed. The external structure of the building suffered only minor damage.

The exemption clauses included in the policies or in separate contracts endorsed on those policies were more detailed and comprehensive than usual, and the defeat of the insurance claims in the High Court does not mean, therefore, that insurers with less comprehensive exclusion clauses would have also suceeded, though most would be protected by the *civil commotion* clause.

Comprehensive as they were, the judge refused to treat the exemption clauses as a general "sweeping-up" provision such as is found, for example, in the standard form of Lloyd's marine policy. He took the view that the Royal Insurance has chosen to define the exclusions by a series of specific terms, each of which has a specific meaning. He then proceeded to analyse the specific meaning of the various terms and held that only that of *civil commotion* and of *usurped power* apply to the situation which existed in Beirut during the period of looting between the entry of Syrian units and the coming into effect of the cease-fire, agreed in the joint Lebanese, Syrian and Palestinian military commission.

Analysing the notions of *civil war* the judge found that the theory of international law was quite unhelpful and previous judicial decisions not quite applicable. He relied mainly on the ordinary meaning of the words and it seems that, in his mind, the term is connected with the idea of a front line with continuous organised fighting between troops on both sides. He found it impossible to draw such a line separating the opponents or even marking the social and religious dissensions. Consequently, he concluded that by January 1976 there was massive civil strife and virtual anarchy but not yet a civil war, though he admitted that civil war may have come into existence *later on*.

By contrast with the common-sense treatment of the *civil war* the judge went very deeply into history and precedent when analysing the meaning of *usurped power*. He started with the Treason Act of 1351 which makes it treason "if a man do levy war against our lord the King in his realm." Tracing the development of the terms through numerous English judgements, always based on the 1351 Act, he rejected the definition made in the U.S. Second Circuit Court of Appeals (in *Pan American World Airways Inc. v. The Aetna Casualty and Surety Co.* (1975) 1 Lloyds Rep. 77), when Chief Justice Hays said: "We hold that to constitute a military or usurped power the power must at least be that of a de facto government." This seems to me to be nearer to the modern usage of the term than the 1351 Act but the judge held that this is not the law of England.

Meaning

"Usurped power," he said, "is an English term of art appearing in a policy which can be assumed to be governed by English law." The words, therefore, had to be given the meaning established by English judges. These speak of usurpation when a mob takes into its own hands the law making and law enforcing power which properly belongs to the sovereign. "The various militias operating in Beirut and their supporters had grievances which lay in the public domain," said the judge. They had done things which were within the prerogative of the government, they arrogated to themselves the functions of the State. Therefore, the insurance claim must fail under the exclusion of usurped power.

Mr. Justice Mustill held that the insurance claim failed also on the strength of the exception referring to *civil commotion*. He started with the natural meaning of the words, saying: "If the violence, death and destruction prevailing in Lebanon did not amount to a civil commotion, the words would be meaningless." Judicial interpretation led to a fairly robust definition in 1912: "A general rising up of the people to do terrible things." Civil commotion need not involve revolt against the government, but the disturbances must be more than the work of a mindless mob. Such a description did apply to the violence which was taking place in Beirut in January, 1976, and for months before.

A. H. Hermann
Legal Correspondent

Koran governs Saudi laws

IT IS one of the many curiosities of Saudi business *life that the Government can* order the insurance of all its major construction projects yet will not recognise local insurance companies. More than SR 11bn (£1.49bn) in cover has been written for the new Riyadh airport alone; yet every one of the nine "Saudi" insurance companies is registered offshore.

Saudi Arabia accepts no constitution but the Sharia, which is based, in its Saudi variety, on instructions in the Moslem Koran. In areas of business life where the Koran gives little or no guidance, the Government will issue laws but "the pre-eminent point is that they should not conflict with the Sharia," according to the Deputy Minister of Commerce, Yousif Al-Hamdan.

Since the time when predominantly Lebanese insurers started major cargo cover in the early 1960s, the ulema (religious leaders) have been invited to write an opinion on the business. No formal and comprehensive declaration has been forthcoming and none is likely in the near future, according to leading insurers in Jeddah.

"*The religious authorities* are now agreed on insurance in the form of co-operatives," Mr. Hamdan said. Under this system Saudi merchants and individuals would agree to spread their risk among themselves. Mr. Hamdan said that a legal framework was now being drawn up for all forms of insurance except life insurance, which, as it suggests gambling, "appears to be completely unacceptable."

Unworkable

It would also probably be unworkable, at least in Saudi riyals and in the present state of the law where insurers are very unwilling even to undertake third party accident cover. Forthermore, none of the British companies involved in local ventures— which include Royal and London Assurance— believes that co-operatives could work even among merchants.

Despite the religious reservations, the Saudi Government has for some time insisted on cover in its major projects — the east-west pipeline, the Yanbu and Jubial industrial cities, and Riyadh airport. Construction managers are required to select a market for placing the cover— companies in Connecticut, U.S., handled the pipeline. The U.S. company Alexander and Alexander *is* risk manager at Jubail, responsible for both placing the insurance and for security and other precautions on the site.

The Saudi public is rather less accustomed *to insurance*. Very few Saudis insure their houses or, if they are merchants, their stock. On January 16 last year more rain fell on Jeddah in a morning than in the whole of the previous year. Total losses in flooded houses, damaged stock and delayed construction were estimated at over SR150m. Total claims were about a fifth of that, and these were mostly for cargo completely destroyed (like cement) under the usual free of particular average clauses.

Some merchants threatened to sue the city for failing to complete a storm drainage network; smaller traders went to their patrons for compensation. But a senior member of the Royal Family told one delegation that they should try insurance.

The bulk of business written is cargo cover. Saudi banks now insist on insurance as a condition for issuing letters of credit and the major local companies are generally linked to a bulk importer — London Assurance's operation is with Binzagr. Little progress has been made into hull and machinery, which is almost invariably written in London.

The furore over Lloyd's decision to raise the extra war risk premium for the Gulf has been accompanied by an attempt to win more of this business for local firms. *The head of the* Saudi Insurance Commission, Mr. Ahmad Hussein Abul Ela, said last month that Gulf insurers are considering forming a pool for war risk cover at lower premiums.

Similarly, rudimentary warehousing and police investigation put high premiums on fire cover.

The major growth in recent years has been in cover for Western contractors — the Korean companies insure at home. Many of these policies include damage to equipment, fire and loss, and penalities for late completion. One Saudi insurer proposed recently that insurance companies handle the strict bonds that the Government requires contractors to post both in tendering and during operations. At present, borrowing from banks for bonding is one of the heaviest burdens on contractors.

Theoretically, bonds can be called on demand and the risk involved appears to be no more attractive to insurance companies than to the banks, which generally charge solid fees. Furthermore, if a bond were called, it could not be challenged in the local courts, since unlike the banks, none of the insurance companies is incorporated under Saudi law.

James Buchan

Signs of revival in Egypt

FAINT SIGNS of a new competitive spirit are beginning to be seen in the Egyptian insurance market for the first time in nearly 20 years.

The three nationalised companies — MisR, Al-Chark and National — while theoretically undertaking all types of business have in fact operated with some degree of specialisation, with one concentrating, for example, on the marine hull fleet and another on Egyptair, the national airline.

As the only profesisonal reinsurance organisation, the Egyptian Reinsurance Company (ERC) benefits from the legal requirements that all writing companies operating in Egypt have to cede some 30 per cent of business emanating from Egypt to the ERG, although they may reinsure the balance freely abroad.

Income

Since the launching by President Anwar Sadat of his economic "open door" policy in 1974 there has been greater pressure for some relaxation of the tight regulations governing insurance companies in order to provide greater expertise and more flexibility to cope with the influx of Western capital and associated organisations. Officials insist that at the moment there is no likelihood that foreign insurers will again be allowed to operate on the Egyptian domestic market, but three *private Egyptian* companies are planning to begin operations next year.

These are the Mohandes Insurance Company, which will be run by the Engineers Syndicate, headed by the pre-eminent local contractor and close friend of President Sadat, Mr. Osman Ahmed Osman; a company to be established by the Suez Canal Company; and the Delta International Company.

These private companies and especially Mohandes Insurance, are together likely to have a significant impact on the market by taking away a substantial slice of business in the contractor's all-risk and marine fields away from the other three long-established public sector companies.

However, as one leading insurer pointed out, the Government's intention was essentially to provide the customer with more competition in the area of general services and not in

In the past two years, however, customers have noted that through greater flexibility in the payment of commissions for new business the three main companies have been more competitive and believe that next year this trend will accelerate. *In non-tariff business such as* accident, burglary and contractors' all-risk, where companies are being forced to go abroad for examples of rates and conditions, the trend will be still more marked.

The impact of Egypt's ejection from the General Arab Insurance Federation as a result of the Arab boycott imposed after the signing of the peace *treaty with Israel* appears to be of little immediate significance but might be more important in the longer term. It means that MisR Insurance no longer manages the Federation's aviation pool, which is now being established in Morocco. The Federation served as a useful forum for closer Arab co-operation and was thought to be acting well in ensuring that a greater proportion of premiums remained within the Arab world. At the moment the bulk of Egypt's reinsurance, thought to amount to more than 50 per cent of total premiums, goes to the European and essentially London markets.

During 1978 the gross direct premium income of the nationalised Egyptian companies totalled just over E£87m (£56m), which though tiny by international standards represented an increase of 38 per cent over the previous year. Premium income for non-life business jumped from E£51m to E£69.7m, while life assurance premiums were up from E£14.4m to E£17.3m.

The three new private companies and the three public sector companies all appear confident that the insurance industry in Egypt will continue to see rapid growth during the coming years as the country's *economic base expands, fuelled* by the over $2bn a year of foreign aid and capital. It should also continue to be highly profitable for the main participants, although the State companies are looking warily over their shoulders at the private sector and are not disguising their fears that in common with other areas of State activity the "open door" policy means *not a warm wind* of change but a nasty and for them unfairly competitive chill.

Roger Matthews
Cairo Correspondent

Talks on London gold futures

By John Edwards, Commodities Editor

THE LONDON Metal Exchange announced yesterday it was entering into negotiations with the International Commodities Clearing House about the possibility of starting a London gold futures market. The Exchange appointed a special sub-committee in October to study the prospects for a gold futures contract, and this received extra impetus when the UK Government lifted the exchange control restrictions and the ban on British citizens owning gold bullion.

One of the main problems, however, is that it is considered impossible to run a go futures market without a clearing house system, in view of the huge amounts of money involved.

The Exchange base metal markets have so far rejected pressure for a clearing house system to be introduced. It therefore appears some form of compromise or alternative market—will have to be arranged before gold futures trading can be introduced. The Clearing House, already provides the clearing facilities for the London "soft" (non-metal) futures market.

Meanwhile Metal Exchange traders pointed out yesterday that the absence of a clearing house might also discourage any big switch of silver business from the U.S., in spite of the emergency curbs on silver futures trading announced this week.

In Washington Nelson Bunker Hunt, who admitted to holding substantial positions in U.S. silver futures, said the new curbs would force him to take delivery of sizeable quantities. In an interview with Reuter, Mr. Hunt said he was considering shifting his trading activity to the London Metal Exchange, but this was only one of several alternatives.

Silver prices were slightly easier yesterday, following the easier trend in gold.

Copper also lost ground, after opening higher. But the biggest fall in percentage terms was again suffered by lead. The cash price fell by £25 to £445 a tonne—a loss of £85 in the past four trading days.

REACTION TO GRAIN EMBARGO

EEC will not sell wheat to Russia

BY JOHN WYLES IN BRUSSELS

THE EUROPEAN Commission agreed yesterday to despatch its Director-General in charge of Agriculture, M. Claude Villain, to a meeting called by the U.S. in Washington on Saturday armed with assurances that the EEC will not undermine President Carter's partial grain embargo by selling wheat to the USSR.

Unusually, this was a political decision for the Commission alone to take because of its authority over grain exports derived from the Common Agricultural Policy.

But verbal backing for the U.S. restrictions is unlikely to meet with much opposition from member States; even France, which does not much like the American approach over Afghanistan, is not in favour of actively undermining it.

Significantly, the Commission also discussed the future of butter sales to the USSR which totalled close to 100,000 politically controversial tonnes last year. Steadfast opponents of the sales within the European Parliament are expected to use events in Afghanistan as a basis for renewed attacks.

The Commission's standard response has been that export subsidy arrangements on butter do not give it control over the destination of sales. But yesterday it was agreed that these arrangements should be re-examined.

Officials do, however, have more control over the export destination of grain, only small amounts of which have been sold to the USSR in the last five years.

However, it is understood that a suggestion from Mr. Finn Olav Gundelach, the Agriculture Commissioner, to amend the regulations to eliminate any possibility of any direct wheat sales to the USSR was not taken up yesterday.

Theoretically, the EEC has about 3m tonnes of barley, 300,00 0tonnes of rye, and 4m to 5m tonnes of wheat available for export.

ARGENTINE — Robert Lindley writes from Buenos Aires: The Argentine government's decision confirmed yesterday, to send a delegation to the meeting of grain exporting countries is not, on the face of it, a pledge to join the boycott against the Soviet Union.

The decision allegedly was made at a meeting of part of the economic team presided over by Jose Alfredo Martinez de Hoz, the Economy Minister. But only the military junta could decide something so important as whether Argentina will continue to sell sizeable amounts of grain to the Soviet Union.

The Buenos Aires daily "Conviccion," said yesterday: "The acceptance or otherwise of the call to participate in the grain boycott in effect will set the course of Argentina's foreign policy for the next several years."

Apparently if economy minister Sr. Martinez de Hoz heads the Argentine delegation to Washington, this fact will be a strong indication that Argentina will go along with the boycott. If a lesser official heads the delegation, this supposedly will be a sign that the Argentines are attending only as observers.

CANADA has given no guarantees to the U.S. on grain exports to the Soviet Union, the minister in charge of the Wheat Board, Don Mazankowski said in Edmonton, reports Reuter.

It will honour existing contracts, of which only about 300,000 tonnes remain to be delivered, he told a farm conference.

"As for moving in to fill the gap left by the U.S., which is really the key issue, we will want to know the position being taken by other exporting countries" Mr. Mazankowski said.

"We will want to know more precisely just what measures the U.S. proposes to maintain grain prices, and what the U.S. intends to do with the grain that is not going to the Soviet Union," he added.

AUSTRALIA would not pick up any shortfall in wheat supplies to the Soviet Union caused by the U.S. curtailment of some exports, reports Patricia Newby from Canberra.

However, Australia will continue to export the 2m tonnes contracted by Russia this year. In fact as the Cabinet was meeting, ships were loading wheat bound for Russia in three Australian ports.

Mr. Fraser said discussions, arrangements and agreements over fisheries were indefinitely suspended. This includes two joint feasibility studies and approvals already given for Russian ships to operate in Australia's newly declared 200 nautical mile fishing zone.

The visit of the Soviet fisheries delegation in February will be cancelled, there will be no approvals for scientific research vessels to visit Australian ports. Scientific collaboration is indefinitely suspended, as are official talks and visits between Australia and the Soviet Union.

BRAZIL has taken no steps to suspend exports of agricultural products to the Soviet Union, a foreign ministry spokesman said, reports Reuter.

From WASHINGTON, David Buchan writes: The biggest U.S. dockers union yesterday announced it would refuse to handle any cargo bound for, or coming from, the Soviet Union.

Mr. Thomas Gleason, President of the International Longshoreman's Association, which since last November has quite effectively blacked shipments to Iran, said the new boycott would stay in force until "Russia gets out of Afghanistan."

The boycott by the ILA, which is the dominant dockers union in the grain-shipping Gulf ports as well as on the east coast, may complicate the shipment of the remaining m tonnes of grain which President Carter has allowed to be sold to the Soviets this year.

The cargo boycott, however, will not be total because the west coast dockers union, the International Longshoremen's and Warehousemen's union, has taken no action.

Our Commodities Editor writes: The dockers' boycott brought sharp falls in Chicago grain and soyabean markets when they re-opened yesterday after the two-day trading suspension ordered by the U.S. Government. Wheat, maize (corn) and soyabeans all opened at, or close to, the permissible limit down — 20 cents for wheat, 10c for maize and 30c for soyabeans.

Traders pointed out that any grain held up by the dockers would depress prices in the short-term. This compares with the long-term depressing influence of the Government buying up 14m tonnes of extra grain, registered for sale to Russia, in addition to the 8m tonnes permitted for export. It was also noted that further sales to Russia, not already officially registered, would not receive compensation and would, therefore, have to be sold.

Retailers back Meat Commission

BY RICHARD MOONEY

THE UK Meat and Livestock Commission (MLC) has found a welcome ally in its struggle against crippling financial cuts urged by a large section of the meat trade.

The British Multiple Retailers Association (BMRA) yesterday came out firmly in favour of the MLC and against the farmers and abattoir owners who have been campaigning for a sharp reduction in the levies they pay to finance its operations.

The Commission has already agreed to cut its planned non-promotional expenditure by £700,000 to £4.5m a year, but the abbattoir owners want this figure to be cut by two-thirds to £1.5m.

They see the money spent on beef and sheep recording, feed recording and on-farm pig testing as a largely unnecessary burden and would like to see more of the costs of these services borne by the farmers who use them. The Commission has already cut back levy-financing of its pi gcarcase classification, beef and ram evaluation and artificial insemniation research programmes under its earlier cost cutting exercise.

Mr. John Smith, a member of the BMRA's meat committee, said in London yesterday that he thought the proposed cuts were "savage and unwise."

He said meat traders were misguided in thinking that the money saved would be added to their profits. "It is more likely that margins would be squeezed, bringing prices and costs back to their old ratio," he declared.

He said the industry was in danger of pushing cost-cutting for its own sake.

The BMRA's members, who handle 35 per cent of Britain's £5bn a year retail meat trade, recognise that money spent by the MLC is, for the most part, invested in the future of the meat industry, said Mr. Richard Woodly, chairman of the MNRA meat group. "This expenditure is vital to the competitive position of British meat in the market place.'

"We see a cut in the levy as reducing the amount of investment in strategic areas of our industry," Mr. Smith added.

The Association was critical of the MLC chairman, Mr. W. Johnstone, however. It said the present problems had been exacerbated by his policy of non-confrontation and by his vacillation. This had allowed constructive criticism to develop into a crusade, a BMRA statement said.

Mr. Smith said he was puzzled that farmers should be involved in this "conspiracy" in view of the contribution the MLC made

This view was backed by Mr. Colin Cullimore, managing director of Dewhursts, Britain's biggest high street butchery chain,

U.S. restricts Russian fishing

BY ALAN FRIEDMAN

THE U.S. has decided to restrict sharply the fishing rights of the Soviet Union within American coastal waters as a part of its package of retaliatory measures aimed at censuring the Russian intervention in Afghanistan.

President Carter decided a few days ago to withhold the bulk of the Soviet Union's 1980 fishing allocation within the U.S. 200 mile economic resource zone. The restriction, which came about as a result of recommendations to the White House by the State Department, Coast Guard, Commerce Department and Defence Department will reduce the allocation from a projected 430,000 tonnes originally planned to 70,000 tonnes of fish catch.

Under the terms of American fishery legislation, foreign fishing fleets must conform to U.S.-decided annual allocations. The Russians are the second largest foreign fleet, with a 1979 allocation of about 400,000 tonnes. The Japanese are the largest, with some three times the fish catch of the Russians.

Mr. Terry Leitzell, the assistant administrator of the National Oceanic and Atmospheric Administration (NOAA) responsible for fishery policy, said: "We feel that this measure will have an impact on the Soviet Union because it represents a cut of about 5 per cent to 6 per cent of their world annual fish harvest."

Mr. Leitzell, who said that the move would be enforced by specially assigned Coast Guard cutters, would not be easy for the Russians to make up. "They are already fishing to world capacity now. I can't see where they can replace the catch," he said.

The 70,000 tonnes of catch off the Alaskan coast will be allowed because it had been allocated in November before the coup in Afghanistan. The forfeited 360,000 tonnes include 200,000 tonnes of pollock, mackerel and flounder and 130,00 tonnes of Pacific Whiting. The remainder of the cut represents squid and Silver Hake off the east coast of the U.S.

● The Pacific Fishery Management Council yesterday ordered a ban on Soviet fishing within 200 miles of the western U.S. Applications from 138 vessels with Soviet flags were rejected on Tuesday by a vote of 20-3.

World sugar prices recover

By Our Commodities Staff

THE RECOVERY in world sugar values continued yesterday with the May position on the London futures market finishing nearly £3 higher at £179.375 a tonne in spite of a marginal decline in late trading.

Most of the rise took place in the afternoon following a stronger opening in New York. The late set-back was attributed to a more relaxed EEC sales policy with rebates being granted on 49,750 tonnes of white sugar at the weekly tender compared with 5,250 tonne last week.

International Sugar Agreement export quotas will have to be suspended if prices remain at their current levels for long.

British farmers learn to co-operate

BY JOHN CHERRINGTON, AGRICULTURAL CORRESPONDENT

BRITISH FARMERS are always accused of being the least co-operatively-minded in the world, and, as a farmer myself, I would agree. For that reason, they have been the target of much well-meant propaganda sweetened by grants and subsidies to turn their minds towards co-operation.

But times are changing, and the theme of the second day of the Oxford Farming Conference was devoted to the integrated production and marketing of four key commodities.

Mr. Geoffrey Grantham, the chairman of the Potato Marketing Board, believed in a recipe of first-class growing and presentation on an individual basis, but sheltered to some extent by the acreage limitation administered by the PMB and the Government's guarantees. It is quite possible, though, that these essential functions could be eroded by EEC rules.

For smaller farmers there were accounts of other groups. Deeside Dairy Farmers in Cheshire is a group of limited numbers which organises the purchase of requisites. Some members co-operating employ a full-time veterinary surgeon. The group organises the sale of cull cows and calves and some machinery is owned through syndicates.

The point of this particular group is that it is purposely kept small, and recruitment is highly selective and has to be agreed by all the members.

Only by this means can they be sure of loyalty. Another small group was described by Michael Nicholson from Oxfordshire, who started by setting up a small grain storage co-operative and then branched out into a pig-selling group which is now supplying some 80,000 pigs a year to a supermarket chain. Again the membership was selectively chosen.

David Thompson told how he organised the storage and marketing of malting barley for eight large Tweedside farmers.

All these groups had been successful and their common threads seemed to be their small size, dedicated leaders prepared to work for the common good and extremely low overheads. None had a paid executive staff, as required by the bigger co-operatives. It could well be one pattern for the future.

All in all, an excellent and stimulating Oxford conference.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Easier on balance on the London Metal Exchange. After opening lower at £1,020, forward metal picked up strongly to touch £1,043 in the morning following good physical demand. However, in the afternoon the price dipped to around £1,030 at the opening and fell afresh to close the late kerb at £1,027 following the firmness of sterling and a downturn on Comex. Turnover 19,925 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,020, 21, three months £1,034, 37, 38, 40, 42, 43, 44, 45, 44. Kerb: Wirebars, three months £1,041, 40, 39, 38, 37, 36, 35, 36, 37, 38, 36. Afternoon: Wirebars, cash £1,002, three months £1,030, 31, 30, 29, 31, 32, 31, 30, 29, 28. Kerb: Wirebars, three months £1,028, 27, 28, 29, 28, 27, 26, 27.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1019-20	—10	1002-3	—2.5
3 months	1043-5	—11.5	1028-9	—3
Settlem't	1020	—10	—	......
Cathodes				
Cash	982-7	—14	970-4	—5.5
3 months	1015-9	—13	1002-5	—5.5
Settlem't	987	—12	—	......
U.S. Prod	—	......	*110-12	......

TIN—Lower. European and Japanese physical demand held forward metal steady around the £7,210 level at the opening. However, heavy selling of cash material developed during the morning rings and this narrowed the backwardation to £80 at one point, with forward metal easing back to £7,170. In the afternoon the price held steady and edged up to close the late kerb at £7,190. Turnover 1,055 tonnes.

Morning: Standard, cash £7,310, 7,300, three months £7,215, 10, 20, 25, 20, 10. Kerb: Standard, three months £7,200, 7,180, 70, 80. Afternoon: Standard, three months £7,170, 80, 7,210. Kerb: Standard, three months £7,190, 65, 80, 90.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7290-300	—85	7270-90	—78
3 months	7200-50	—58	7200-10	—52.5
Settlem't	7300	—80	—	......
Standard				
Cash	7290-300	—80	7270-90	—78
3 months	7200-10	—30	7190-210	—17.5
Settlem't	7300	—80	—	......
Straits E.	‡$2101	......		......
NewYork	—			

LEAD—Fell heavily for the fourth successive trading day as renewed stale-bull liquidation, chartist selling and hedge selling depressed forward metal from £467 in the morning to a low of £440 in the afternoon, with the backwardation eliminated and £4 contango established. However, some good consumer demand was reported at this level and the price picked up to close the late kerb at £443.5. Turnover 19,525 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	466-7	—16	444-5	—25
3 months	465-7	—13	446-7	—21
S'ment	467	—16	—	......
U.S. Spot	—	......	*52.55	......

Morning: Cash £467, 68, 66, 67, three months £473, 70, 67, 64, 65, 66, 65, 64, 65, 66, 67, 68, 67. Kerb: Three months £464, 63, 60, 56. Afternoon: Three months £454, 52, 48, 47, 48, 46, 47, 48, 45, 43, 44, 45, 47, 46. Kerb: Three months £544, 43, 41, 40, 38, 37, 40, 42, 43, 44.

ZINC—Held steady despite the sharp fall in lead and the weakness of copper. Forward metal traded around £340 on the early pre-market but eased marginally to close the late kerb at £337.5. Turnover 5,875 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	322.5-3.5	+.5	321.5-3	+.25
3 months	336-9	+.25	337-8	+1
S'mant	323.5	+.5	—	......
Prim w'st	—	......	*37.5	......

Morning: Cash £324, 23, three months £339, 38, 39. Kerb: Three months £338.5. Afternoon: Three months £338. Kerb: Three months £337.

ALUMINIUM—Gained ground. Reports of Japanese buying interest and the absence of any selling from the USSR saw forward metal move ahead strongly to touch £880 compared with an opening of £857. In the afternoon, however, modest profit-taking pared the price to £878 on the late kerb. Turnover 6,775 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	†+ or —
	£	£	£	£
Spot	908-12	+14	907-10	+16
3 months	877-8	+11	875-7	+14.5

Morning: Three months £873, 74, 75, 76, 77, 79, 80, 79, 78, 79. Kerb: Three months £878. Afternoon: Three months £875, 76, 77, 76, 75, 77, 78, 77. Kerb: Three months £887, 78, 77, 78.

NICKEL—Lower. The firmness of sterling coupled with the weakness of other metals saw forward metal gradually ease back from £2,870 at the outset to a close on the late kerb of £2,835, after a low of £2,820. Turnover 318 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2760-5	—12.5	2710-20	—47.5
3 months	2860-5	—16	2815-25	—37.5

Morning: Cash £2,780, three months £2,870, 60, 50, 70. Kerb: Three months £2,860. Afternoon: Three months £2,855, 60, 55, 50, 40, 35, 20. Kerb: Three months £2,830, 35.

SILVER

Silver was fixed 22.5p an ounce lower for spot delivery in the London bullion market yesterday as 1,463.6p. U.S. cent equivalents of the fixing levels were: Spot 3,315.0c; down 37.0c; three-month 3,382.1c, down 64.8c; six-month 3,413.5c, down 91.9c; and 12-month 3,516.9c, down 128.4c. The metal opened at 1,375-1,510p (3,100-3,400c) and closed at 1,450-1,550p (3,300-3,500c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	1463.60p	—22.5	1477.5p	—12.5
3 months	1501.60p	—34.5	1515.0p	—28
6 months	1522.60p	—45.5	—	......
12months	1582.60p	—45.5	—	......

LME—Turnover 169 (138) lots of 10,000 ozs. Morning: Cash 1,480, three months 1,550, 60, 20; 10. Kerbs: Three months 1,500. Afternoon: Three months 1,550, 35, 30. Kerbs: Three months 1,530, 25.

COCOA

Futures today traded erratically within a £20 range finally closing little changed to Tuesday evening. The physicals were once again attracting interest for the spot and nearby positions but other than that were largely ignored, reported Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
March	1475-78	—2.5	1482-65
May	1473-74	—3.0	1478-61
July	1482-84	—1.5	1488-70
Sep	1498-500	—3.5	1505-1490
Dec	1522-27	—0.5	1530-16
March	1555-60	+7.5	—
May	1560-85	+12.5	—

Sales: 2,492 (2,293) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price Jan. 8: 145.27 (141.85). Indicator price Jan. 9: 15-day average 144.38 (144.33); 22-day average 143.78 (143.65).

COFFEE

COFFEE	Yesterdays Close	+ or —	Business Done
	£ per tonne		
January	1545-50	—23.0	1570-43
March	1666-67	—34.0	1605-565
May	1581-84	—30.0	1605-580
July	1596-600	—26.0	1615-598
Sept	1598-600	—18.0	1614-600
Nov	1595-605	—22.5	1610-05
January	1585-605	—31.5	—

Sales: 3,330 (4,808) lots of 5 tonnes.

ICS indicator prices for Jan. 8 (cents per pound): Other Mild Arabicas 177.50 (176.67). Robustas ICA 1976 167.25 (165.25) ICA 1968 167.50 (165.50). Unwashed Arabicas 213.50 (same). Comp. daily ICA 1968 187.82 (187.95).

GRAINS

LONDON GRAIN FUTURES—Grains opened 30-35p higher on old crops. Initial buying interest increased values to trade 45p higher but selling pressure from commercial sources eased the market back again to close 40-55p lower on wheat and 50-55p down on barley. Trading was fairly thin in comparison with the last two days. New crops saw a reasonable trade and closed 5-10 down on wheat to 10-20 down on barley, reported Acli.

WHEAT			BARLEY	
M'nth	Yest'rdays close	+ or —	Yest'rday close	+ or —
Jan	94.50	—0.40	91.15	—0.50
Mar	98.25	—0.55	94.90	—0.50
May	102.70	—0.55	99.05	—0.55
Sept	96.60	—0.10	93.55	+0.20
Nov	100.50	—0.05	97.30	—0.10

Business done—Wheat: Jan. 95.05-95.00, March 99.10-98.15, May 103.70-102.55, Sept. 97.05-96.80, Nov. 100.80-100.35. Sales: 165 lots of 100 tonnes. Barley: Jan. 92.10-91.25, March 95.65-94.80, May 100.05-98.96, Sept. 94.00-93.65, Nov. 97.50-97.35. Sales: 223 lots of 100 tonnes.

IMPORTED — Maize: French Jan. 115.50, Feb. 116.50 East Coast. Barley: English feed fob Jan. 98.50, Jan.-March 98, April-June 103 East Coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 92.30, E. Midlands 90.80, N. East 91.30, Scotland 90.70. Other milling wheat: N. East 96.30.

RUBBER

The London physical market opened steadier, and eased throughout the day, closing on an uncertain note. Lewis and Peat reported a Malaysian godown price of 315 (312) cents a kg (buyer, February).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
Feb	70.75-71.15	70.70-71.15	71.00
Mar	71.90-71.95	71.75-72.50	72.25-71.75
Apr-Jne	75.50-75.55	75.40-75.45	74.00-73.15
Jly-Sept	75.50-75.55	75.45-75.50	76.10-75.10
Oct-Dec	77.40-77.45	77.45-77.50	78.20-77.20
Jan-Mar	79.30-79.40	79.50-79.55	79.50-79.00
Apr-Jne	81.50-81.58	81.50-81.65	82.00-81.20
Jly-Sept	85.40-85.60	85.65-85.70	85.40-83.20
Oct-Dec	85.40-85.50	85.65-85.75	—

Sales: 403 (302) at 15 tonnes.

Physical closing prices (buyer) were: Spot 69.75p (same). Feb. 69.55p (69.40p): March 70.50p (same).

SOYABEAN MEAL

The London market opened with small losses on continued long liquidation, reported T. G. Roddick. Prices fell further on mixed trading and finished with losses of £1.50-£2.00.

TAKE IN TABLE — — — — —

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
February	117.80-17.8	—1.90	119.40
April	115.50-15.6	—1.85	115.00-15.00
June	112.50-12.7	—1.65	112.70-12.00
August	114.80-15.0	—2.05	116.50-14.50
October	115.50-15.9	—1.20	114.40-15.80
December	115.10-16.7	—1.30	—
February	116.50-20.6	—1.25	—

Sales: 111 (178) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £165.0 (£164.00) a tonne cif for Jan.-Feb. shipment. White sugar daily price was £182.00 (same).

The market opened £1.00 above the overnight closing levels and made steady gains over the day following rumours of further substantial purchases by Russia and China. New York failed to hold the permissible limit improvement at the opening and prices declined some £2.50 from the highs before improving once more towards the close, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
March	178.50-78.68	172.80-73.00	177.75-70.75
May	178.25-78.40	176.30-76.40	180.50-73.75
Aug	179.50-79.90	176.40-76.70	181.25-74.50
Oct	179.00-79.50	176.60-76.65	180.50-76.00

Sales: 4,123 (4,274) lots of 50 tonnes.

NO. 4 CONTRACT—Close (in order buyer, seller only): May 178.25, 178.75; Aug. 178.75, 179.50; Oct. 178.75, 179.00; Jan. 178.00, 178.50; March 179.00, 179.50; May 179.00, 180.00. Sales: 331 (359).

LONDON WHITE SUGAR—Close (in order buyer, seller, business, sales): Feb. 179.00, 182.00, 183.50-179.00, 21; April 180.00, 184.00, nil, nil; July 180.00, 186.00, nil, nil; Sept. 184.00, 187.00, nil, nil; Nov. 185.00, 188.00, 186.00, 13; Feb. 190.00, 194.00, 189.00, 10; April 191.00, 200.00, nil, nil. Sales: 44.

Tate and Lyle ex-refinery price for granulated basis white sugar was £318.70 (same) a tonne for home trade and £244.00 (£242.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for January 8: Daily price 14.54 (14.43): 15-day average 15.01 (14.98).

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HIDES—Leeds: Stronger, especially for cow hides. Second clears, Ox, 31-35.5 kilos, 53.0p a kilo (49.3): 26-30.5 kilos, 63.3p (57.2p); 22-25.5 kilos, 74.0p (69.5p). Light cows 74.0p (67.4p).

PRICE CHANGES

In tonnes unless otherwise stated.

	Jan. 9 1980	+ or —	Month ago
Metals			
Aluminium	£760/70	....	£760/70
Free Mkt (es)	$1860/1950	....	$1750 80
Copper			
Cash w'bar	£1,002.5	—2.5	£988
3 mths	£1,028.5	—3	£991.25
Cash Cathode	£972	—5.5	£956.5
3 mths	£1,003.5	—5.5	£971
Gold troy oz	$610	—7	$447
Lead cash	£445	—25	£529
3 mths	£446.5	—21	£513.5
Nickel	£3,260.17	....	£3,260.17
Freemkt(cif (lb	275/310c.	—5	270/310c
Platin'mtr'y oz	£195.0	....	£176.5
Free mkt	£317.20	—7.45	£257.40
Quicksil'ver	$385/390	+2.5	$369/378
Silver troy oz	1463.60p	—22.5	915p
3 months	1501.60p	—34.5	943p
Tin Cash	£7,280	—70	£7,575
3 mths	£7,200	—17.5	£7,372.5
Tungsten22.04lb	$138	....	$138.75
Wolfrm 22.04 lbs	$158/144	+4	$132.5/138
Zinc cash	£322.25	+0.25	£338.5
3 months	£337.5	+1	£346.5
Producers	$780		$780
Oils			
Coconut (Phil)	$875r	—5	$905
Groundnut	‡		‡
Linseed Crude	£368	....	£395
Palm Malayan	£647.50x	—17.5	$647.5
Seeds			
Copra Philip	$570r	....	$600
Soyabean(U.S.)	$288.0x	....	$295.25
Grains			
Barley Futures	£94.90	—0.5	£97.30
Maize			
French No3AM	‡	....	‡
Wheat			
No. 1 Red Spg.	‡	....	‡
No2HardWint.	‡	....	£108.5
Eng. Milling†	‡	....	‡
Other commodities			
Cocoa ship.t	£1,538	—2	£1,581
Future May.	£1,473.5	—3	£1,495.5
CoffeeF't'rMar	£1,566.5	—34	£1,680.5
Cotton A.Index	84.10c	—0.25	81.60c
Rubber (kilo)	69.75p	....	65.75p
Sugar (Raw)	£165	+1	£169
Wooltp's 64s kl	279p kilo	....	276pkilo

r Jan.-Feb. s Feb. v-Jan./March. t March-April. u April. z Indicator. § Buyer.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 909 tonnes, bringing the total for the week so far to 1,486 tonnes. Reasonably large trading developed with Central and South American growths predominating. Activity in African styles was maintained.

WOOL FUTURES

LONDON GREASY WOOL—Close (in order buyer, seller only). March/May/July/Oct./Dec./March/May/July all 232.0, 242.0. NEW ZEALAND CROSSBREDS—Close (in order buyer, seller only). March/May/July/Oct./Dec./March/MayJuly all 188.0, 198.0.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business, sales). Micron Contract: March 439.0, 440.0, 445.5-436.0, 62; May 465.0, 466.0, 472.0-463.0, 160; July 477.0, 478.0, 482.0-475.0, 223; Oct. 476.5, 478.0, 481.0-476.0, 59; Dec. 477.0, 478.0, 480.0-474.0, 87; March 480.1, 481.0, 484.0-480.0, 29; May 480.0, 485.0, 483.5-483.0, 15; July 486.5, 490.0, untraded. Sales: 635.

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GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.50-£6.00, codlings £3.50-£4.40. Large haddocks £5.00-£6.00, medium £4.40-£5.00, small £2.70-3.00. Large plaice £4.80-£5.20, medium £4.80-£5.80, best small £5.20-£5.60. Skinned dogfish (large) £11.00, (medium) £9.00. Lemon soles (large) £10.50, (medium) £9.00. Rockfish £2.80-£3.50. Reds £1.70-£3.50. Saithe £3.20-£3.90.

MEAT/VEGETABLES

SMITHFIELD—pence per pound. Beef: Scottish killed sides 65.0 to 69.0, Eire hindquarters 78.0 to 82.0, forequarters 47.0 to 49.0. Lamb: English small 56.0 to 64.0, medium 54.0 to 60.0, heavy 42.0 to 54.0, Scottish medium 50.0 to 58.0, heavy 42.0 to 56.0. Imported frozen—N.Z. PL New Season 52.0 to 53.0. Pork: English, under 100 lb 39.0 to 50.0, 100-120 lb 38.0 to 49.0, 120-180 lb 37.0 to 48.0.

MEAT COMMISSION—Average fatstock prices at representative markets on January 9. GB cattle 79.78p per kg lw (—0.22): UK sheep 133.1p per kg est dcw (—8.1); GB pigs 63.8p per kg lw (—4.4).

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Produce: Oranges—Spania: Navel/Navelinas 3.80-4.40: Jaffa: Navels/Shamouti 50/189's 3.90-5.25: Greek: 2.50-2.80:

English Produce: Potatoes—Per bag 2.40-3.20. Lettuce—Per 12, round 1.00-1.20. Mushrooms—Per pound 0.50-0.60. Apples—Per pound Bramley 0.09-0.16, Cox's Orange Pippin 0.10-0.16, Russets 0.10-0.12, Spartans 0.11-0.12. Pears—Per pound Conference 0.09-0.14, Comice 0.18-0.20. Swedes—Per 25/28 lb 0.80. Parsnips—Per 28 lb 1.50-1.80. Turnips—Per 28 lb 1.50. Cauliflowers—12's Kent 3.00. Celery—18/22's Cartons pre-pack 7.00. Rhubarb—Per pound, forced 0.20-0.22. Sprouts—Per pound 0.05-0.06. Cabbages—Per bag 1.50, White cabbage 1.60. Onions—Per bag 3.20-3.50. Carrots—Per bag 0.80-1.40. Beetroots—Per bag 1.40.

AMERICAN MARKETS

NEW YORK, January 9.

THE GRAIN markets opened and closed down the limit on negligible trading. Selling pools are still enormous and will lead to another limit down opening on Thursday. Soyabeans traded down the limit most of the day, while soyaoil and meal backed off from limit losses in distant months. The livestock complex was mixed in a relatively narrow range despite lower cash prices. Silver was locked limit up on a total lack of selling, while gold ran into profit-taking on the close and finished lower. Copper rallied sharply on anticipations of good defence orders despite heavy trade selling. An upward explosion in prices occurred in sugar when reports of Chinese and Soviet buying were confirmed. Cocoa traded mixed on trade hedging and commission house spreading. Heavy trade selling in coffee depressed prices severely despite market rumours of coffee runst problems in San Salvador. Continuous trade buying in cotton rallied the market sharply, especially in this year's crop, reported Heinold.

Copper—Jan. 103.50 (100.80), Feb. 104.40 (101.80), March 105.50-106.00, May 106.70-107.00, July 107.80-108.00, Sept. 108.10, Dec. 108.50, Jan. 108.80, March 109.50, May 110.20, July 110.90, Sept. 111.60. Sales: 12,000.

Potatoes (round whites)—March 59.2 (58.9), April 66.5 (66.7), May 75.5-75.8, Nov. ——. Sales: 244.

¶Silver—Jan. 3350.0-3390.0 (3191.0), Feb. 3300.0 (3225.0), March 3350.0, May 3400.0, July 3448.5, Sept. 3498.0, Dec. 3565.0, Jan. 3588.0, March 3632.0, May 3676.0, July 3720.0, Sept. 3764.0. Sales: 9,000. Handy and Harman bullion spot 3365.00 (3375.00).

Tin—771.00 asked (775.00).

CHICAGO, January 9.

Lard—Chicago loose 21.50 (same). New York prime steam unavailable.

Live Cattle—Jan. 65.75-65.85 (65.47), Feb. 67.60-67.75 (67.92), April 69.80-69.70, June 71.25-71.20, Aug. 71.10-71.30, Oct. 69.85-69.90, Dec. 70.60, Jan. unquoted.

Live Hogs—Feb. 40.95-41.00 (40.70), April 39.15-39.10 (38.75), June 42.90-42.92, July 43.60-43.50, Aug. 42.60-42.65, Oct. 41.60-41.65, Dec. 43.60, Feb. 44.77, April 43.50.

‡‡Maize—March 274½ (284¾), May 287 (297), July 296¾, Sept. 301½, Dec. 305¾, March 317¾.

Pork Bellies—Feb. 44.00-43.85 (44.70), March 44.70-44.60 (45.25), May 46.20-46.25, July 47.80, Aug. 47.25-47.05, Feb. Aug. ——.

Silver—Jan. 3400.0 (3110.0), Feb. 3370.0 (3255.0), March 3410.0, April 3428.5, June 3474.5, Aug. 3515.0, Oct. 3555.5, Dec. 3596.0, Feb. 3636.5, April 3676.9, June 3717.2, Aug. 3757.4, Oct. 3797.5, Dec. 3837.5, Feb. 3877.4, April 3917.2, June 3956.9, Aug. 3996.5.

†Soyabeans—Jan. 613 (643), March 635½ (665½), May 657½, July 677¾, Aug. 685, Sept. 693, Nov. 703¾, Jan. 718.

‖Soyabean Meal—Jan. 169.80-170.00 (180.70), March 175.00 (185.00), May 180.50-181.00, July 186.50-186.00, Aug. 189.30, Sept. 191.50-192.00, Oct. 193.50, Dec. 196.80-197.00, Jan. 198.30, March 200.00-201.00.

Soyabean Oil — Jan. 22.82-22.85 (23.83), March 23.22 (24.22), May 23.48-23.50, July 23.85-23.90, Aug. 24.10-24.15, Sept. 24.30-24.35, Oct. 24.55, Dec. 24.95-25.00, Jan. 24.95, March 25.10-25.20.

†Wheat—March 425½ (445½), May 435¾ (455¾), July 444¾, Sept. 459, Dec. 478, March 492¾.

WINNIPEG, January 9.

§Barley—March 117.20 (116.50), May 115.20 (114.80), July 113.40, Oct. 108.20.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 235.10 (242.60).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. ft. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, January 8.

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent, Feb. $208, March $210. U.S. Hard Winter ordinary unquoted. U.S. No. 2 Red Winter Feb. $190, March $192. U.S. No. 2 Northern Spring, 14 per cent, Jan. $203, Feb. $207, March $209.

Maize—U.S. No. 3 Corn Yellow afloat $133, Jan. $131, Feb. $131, March $131, April-June $142, July-Sept. $147, Oct.-Dec. $148 sellers, March $131.50-$131 traded.

Soyabeans—U.S. No. 2 Yellow Gulfports Jan. $260, Feb. $269, March $273 sellers, April $277 seller, $275 buyer, May $280, June $286, July $287.50, Aug. $291, Sept. $293, Oct.-Nov. $295, Dec. $300 sellers. Brazil Yellow Faq. unquoted. Argentine unquoted.

Soyameal—44 per cent protein U.S. afloat $251, Jan. $245. Feb. $243, March-May $242, April-Sept. $244, Brazil Pellets March $245.75, April-May $245, April-Sept. $248.

PARIS, January 9.

Cocoa (FFr per 100 kilos)—March 1327-32, May 1320-25, July 1320-50, Sept. 1330-55, Dec. 1335-50, March 1340-60. Sales at call 0.

INDICES

FINANCIAL TIMES

Jan. 8	Jan. 7	M'nth ago	Year ago
291.48	292.65	297.49	260.14

(Base: July 1, 1952=100)

MOODY'S

Jan. 8	Jan. 7	M'nth ago	Year ago
—	1380.8	1206.2	988.9

(December 31, 1931=100)

DOW JONES

Dow Jones	Jan. 8	Jan 7	Month ago	Year ago
Spot	416.38	413.96	415.60	382.15
F'tur's	426.75	424.37	420.29	381.17

(Average 1924-25-26=100)

REUTERS

Jan. 9	Jan. 8	M'nth ago	Year ago
1691.7	1693.5	1698.5	1496.7

(Base: September 18, 1931=100)

Unexpected bear squeeze highlights drab session in equities and 30-share index rebounds 7.9 to 423.5

Account Dealing Dates

Options

*First Dealings	Declarations	Last Dealings	Account Day
Dec. 28	Jan. 10	Jan. 11	Jan. 21
Jan. 14	Jan. 24	Jan. 25	Feb. 4
Jan. 28	Feb. 7	Feb. 8	Feb. 18

* "New time" dealings may take place from 9.30 am two business days earlier.

Wall Street's strong overnight rise coupled with comment about last month's slackening in UK monetary growth enabled equity markets to overcome disappointment with Monday's breakdown in the steel talks and open firmly yesterday. Business was of negligible proportions initially and the market seemed set for a slow day, but shortly after 10 am the picture unexpectedly changed.

A squeeze developed on short positions, many of which were opened only on Tuesday, and in continuing sensitive trading conditions leading shares went higher by several pence. The sudden upsurge appeared to catch institutional investors unawares and a few released a small part of the funds built up since the market recently entered its present sensitive and erratic phase.

Stock was difficult to obtain in any quantity, however, and eventually most institutions decided against chasing prices higher. Business subsequently became spasmodic and many leading industrials drifted away from the best levels until firming again in the after-hours' trade. Features existed usually either as a result of trading statements or revived speculative interest in situation stocks.

Once again, the course of leading equities was well illustrated by movements in the FT 30-share index; at 10 am, it was only 1.7 higher but an hour later was showing a jump of eight points and this gain was pared to 6.1 at 3 pm before the close brought a final rise of 7.9 at 423.5.

A more subdued Gilt-edged sector was notable only for a specialist demand for low-coupon stocks, two of which were quoted clean yesterday. Treasury 3 per cent 1982 jumped a point to 84¾ xd and Treasury 3½ per cent 1979-81 put on ½ to 91¾ xd, while Exchequer 3 per cent 1983 gained ½ to 77½. The Government broker supplied a limited amount of the special low-coupon tap, Exchequer 3 per cent 1984, which remained at 69¾.

The final call of £35½ per cent on the long tap stock Treasury 14 per cent 1998-2001, marginally better at 95¾, was an inhibiting influence on this end of the market.

Profit-taking in the wake of the early fall in the bullion price took its toll on South African Gold shares. Although most closed above the worst levels, the FT Gold Mines index still fell a further 12.7 to 266.5 for a two-day loss of nearly 20 points.

Traded options attracted 664 trades, a shade below Tuesday's 717, but above last week's average of 618. Racal attracted an active demand and recorded 182 deals, while Cons. Gold Fields were again wanted with 105.

Following recent publicity given to a favourable broker's circular, Discount Houses encountered buying interest and closed firmer throughout the list. Clive were particularly notable for a rise of 6 to 68p, while Seccombe Marshall and Campion put on 10 to 210p and Allen Harvey and Ross, 315p, and King and Shaxson, 64p, gained 5 and 4 respectively. The major clearing banks gave further ground in the wake of the latest banking statistics which showed a slackening in lending. Barclays ended 7 off at 406p and NatWest cheapened 2 to 336p. Elsewhere, Antony Gibbs gave up 4 to 68p as the market awaited further news of Hong Kong and Shanghai's bid approach.

Calmer conditions returned to Insurance brokers after the previous day's excitement caused by Marsh and McLennan's indication that it intends to bid 169p per share for Bowring; news that the Office of Fair Trading has started investigations into the intended £245m bid and caution ahead of the expected statement from Lloyds of London left Bowring down 5 further at 133p. Speculatively supported on Tuesday on hopes that Lloyds would relax its current 20 per cent ruling on foreign ownership, other brokers generally held firm in quieter trading.

Distillers continued to draw encouragement from the spirit price rises announced on Tuesday and rose 4 to 201p. Speculative support returned for Matthew Clark, 4 up at 148p, while Merrydown Wine hardened a shade to 40p following the mid-term statement.

Selected Building descriptions readily responded to the appearance of buyers. Blue Circle stood out, at 258p, up 6. Ahead of next Tuesday's results, Magnet and Southerns firmed 2 to 130p. Five Oaks put on 2½ to 19p on renewed speculative interest. Ibstock Johnsen, a depressed market since the rights issue, picked up 4 to 59p.

The overnight upsurge on Wall Street and a squeeze on bear positions prompted a gain of 6 to 363p in ICI. Up 14 on Tuesday, Fisons touched 285p before reverting to the overnight level of 277p as interest faded.

Reports that consumer spending increased in the autumn from the lower levels of the late summer helped sentiment in leading Stores but technical factors were the main reason for *the sector's improved performance*. Marks and Spencer closed 4 to the good at 85p as did Gussies "A," at 356p, and Mothercare, at 196p, while Burton "A" improved 6 to 224p and Combined English added 3 to 36p. Elsewhere, Harris Queensway stood out with a rise of 12 to 148p on investment support, while H. Samuel "A," still drawing strength from the favourable interim statement, put on 6 to 141p. Among Shoes, Pittard Group rose 4 to 47p following the Board's decision to transfer the production of R. and A. Kohnstamm to other tanneries and close its Beckenham premises. Renewed speculative support lifted Stylo 8 to 168p.

Leading Electricals made headway helped by a squeeze on bear positions. Thorn were prominent at 292p, up 14, awaiting tomorrow's interim results, while Racal, 9 to the good at 208p, continued to benefit from the £40m tactical communications contract. GEC improved to 342p before settling at 340p for a rise of 4. Elsewhere, continuing hopes of a bid from Racal prompted fresh demand for Decca, the ordinary rising 15 more to 350p and the "A" 10 further to 310p. Berec attracted buyers at 88p, up 7, along with Eurotherm, a similar amount to the good at 281p.

Already a firm market at 59p, Westland advanced further to close at 69p, up 12½, in response to the better than anticipated annual results and increased dividend payment. Elsewhere in the Engineering sector, a Press article forecasting a shortage of aluminium in the 1980s prompted buying interest in British Aluminium which, in a thin market, rose 10 to 210p. Compensation hopes lifted Vosper a similar amount to 185p, while demand in a market none too well supplied with stock left ML Holdings 11 to the good at 203p. Ductile rallied 4 to 85p, while smaller-priced issues to make headway included Birmid Qualcast, 2 better at 34p, and Brooke Tool, a similar amount harder at 43p. On the other hand, Startrite met selling and gave up 6 to 47p.

Persistent small buying gave Food Retailers a particularly firm appearance. Associated Dairies stood out with a gain of 6 to 172p, after 174p, while Tesco added 1½ to 67½p and Sainsbury firmed 3 to 290p. Elsewhere, Associated Biscuit and United Biscuits put on 4 and 2 respectively to the common price of 84p. Buying ahead of today's half-yearly results lifted Somportex 12 to 90p.

Trusthouses Forte featured Hotels and Caterers with a gain *of 4 to 140p; the annual results* are due next Tuesday. Renewed interest was shown in Savoy A which added 3 to 103p, while Prince of Wales added 4½ to 84p, th latter in a restricted market.

Granada good

Marked up at the outset in the wake of the strong performance on Wall Street, miscellaneous industrial leaders took a further turn for the better following a squeeze on bear positions to close with improvements ranging to 8. Glaxo added that much to 448p and Reckitt and Colman firmed 6 to 188p, while Boots put on 5 to 168p as did Reed International, to 173p. Elsewhere, Granada A rose 11 to 144p on investment buying and Smiths Industries advanced 9 to 191p following news of a £3.6m Chinese order. ICL rose 15 to 472p after the chairman's statement in the annual report and Johnson Matthey appreciated 13 to 240p on further consideration of the recent upsurge in precious metal prices. Demand in a market none too well supplied with stock saw De La Rue touch 580p before closing a net 5 up on balance at 565p, while Standard Fireworks hardened 2 to 72p on the disclosure *that L.* Stanley of Belfast had acquired a 21.6 per cent stake. Wilkinson Match added 9 to 157p, the latter still on hopes that U.S. concern Allegheney Ludlum will bid for the 55 per cent of the shares it does no already own. Pentos did well at 61p, up 6p, and Gripperrods firmed *a similar amount* to 142p. Comment on the interim results helped Esperanza Trade and Transport put on 7 to 109p but Sothebys declined that much to 395p in front of today's annual figures.

Among Leisure issues, Pleasurama put on 7 to 137p; the annual results are due today. Management Agency and Music came in for support and firmed 8 to 120p.

Motor sectors remained quiet but selected counters attracted a useful business. ERF rose 3 to 87p following the £5m EEC loan to help expansion plans, while Fodens, at 35p, recovered the previous day's fall of 2. Among Distributors, Heron added a penny to 33½ ahead of tomorrow's half-timer, while BSG hardered 1½ to 28p on bid rumours and Harold Perry put on 4 to 122p. Components turned better, but rises were exacerbated by stock shortage; Lucas advanced 7 to 236p; while Dowty closed 4 up at 160p.

Specialist printers McCorquodale pleased the market with the 12 per cent increase in annual profits and the shares were marked 15 higher at 103p. In contrast, wallpaper manufacturers Melody Mills reported reduced first-half profits and shed 4 to 46p.

Properties went with the general trend, but gains were sometimes exaggerated by stock shortage. In the leaders, Land Securities firmed 6 to 256p and *MEPC added 3 to 165p. Support* was again *forthcoming* for Hammerson A which responded with a gain of 20 to 740p. Imry advanced 25 to 510p in response to the more-than-doubled half yearly profits and Marler Estates firmed 3 to 41p following the good interim results and dividend payment. Trafford Park Estates added 6 to 114p on speculative interest.

Siebens feature

Leading Oils followed the general trend, but improvements were limited to a couple of pence. Among secondary issues, Siebens *(UK) featured with a* rise of 34p to 444p on a revival of speculative buying. British Borneo improved 6 to 286p, while demand was also forthcoming for Burmah which improved 3 to 165p. Aran Energy rose 4 more to 276p.

Among Trusts, Carliol *hardened 3 more to 143p and* Tyneside 2 further to 137p following news that Rothschild Investment Trust had purchased stakes in both companies with a view to discussing unitisation proposals. Akroyd and Smithers responded to Press mention with a rise of 10 at 220p.

Lyle Shipping were unsettled at 200p, down 7, following comment on the U.S. halt to supplies of grain to Russia. P. and O. Deferred, however, ended a penny firmer at 114p after news that the first payment for the sale of its U.S. oil and gas interests had been completed.

Interest in Textiles was generally confined to special situations. Hollas improved 4 to 68p following company's confident statement which accompanied the increased interim profits and dividend. Tricoville rose a similar amount to 58p on the company's £0.8m acquisition, *while reports of flood damage* failed to unsettle Nova (Jersey), 2 up at 34p for a three-day rise of 9.

Ashton issues rise

The participants in the Ashton diamond venture in Western Australia stole the limelight in mining markets following the latest progress report issued by Conzinc Riotinto.

The latter responded with a 23 rise to 271p, while Ashton Mining jumped 21 to 170p, Northern Mining 18 to 158p and the Londonregistered Tanks 26 to 274p. Rio Tinto-Zinc moved ahead to close 12 better at 354p.

Among the more speculative diamond exploration issues, Paringa attracted a good demand and rose 5 to 71p.

South African Golds, however, came under renewed selling pressure as the bullion price gave further ground to close $7 down at $610 an ounce.

Share prices were marked down at the outset and fell further during the morning on rumours that the U.S. hostages in Iran had been released. Initial losses in Golds were reduced by good fresh buying and bear closing, but the Gold Mines index fell 12.7 to 266.5—a two-day fall of almost 20 points.

Among heavyweight Golds, Hartebeest were particulary weak and ended £2¼ down at £22¼, while "Amgold" dropped £1½ to £37, after £36, and Vaal Reefs £1⅞ to £26¼.

In the medium and lower-priced stocks, Blyvoor fell 46 to 496p and Welkom 30 to 446p.

South African Financials reflected the weakness of Golds. Minorco dipped 15 to 275p, Johnnies ¾ to £23¾ and Anglo-American 10 to 615p, after 600p.

The London-registered Gold Fields staged a smart recovery to close only 2 easier at 422p, after 416p.

In Diamonds, De Beers suffered from renewed London selling to end 7 off at 449p, after 444p, following the Central Selling Organisation's 1979 sales figure.

LONDON TRADED OPTIONS

Option	Ex'rcise price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	325	14	—	29	1	—	—	331p
BP	375	½	21	11	18	—	—	"
BP	400	½	10	7	—	—	—	"
Com. Union	120	17	—	23	—	27	5	135p
Com. Union	140	1½	4	9	—	14	—	"
Cons. Gold	390	34	2	57	—	74	—	421p
Cons. Gold	420	14½	20	36	—	54	—	"
Cons. Gold	460	4	53	21	18	36	5	"
Courtaulds	70	3½	5	9	—	11	—	78p
GEC	300	43	2	57	—	72	—	339p
GEC	330	12	21	36	—	51	—	"
GEC	360	1	5	18	5	35	—	"
Grand Met.	130	5½	5	9	—	12	—	133p
Grand Met.	160	—	—	1	7	6½	—	"
ICI	330	32	5	41	—	57	—	360p
ICI	360	5½	55	21	3	36	5	"
ICI	390	1½	—	9	—	21	1	"
Land Secs.	260	3½	—	18	—	25	2	255p
Land Secs.	330	1½	—	4	7	5	—	"
Marks & Sp.	80	5	20	10	—	12	8	84p
Marks & Sp.	100	¼	—	2½	5	4	—	"
Marks & Sp.	110	¼	—	1	10	2	10	"
Marks & Sp.	120	¼	—	½	5	—	—	"
Shell	330	—	—	22	5	30	—	320p
Shell	390	—	—	7	33	10	—	"
Totals			238		121		28	
		February		May		August		
Boots	180	2	7	11	—	—	—	166p
Imperial Gp.	70	7	16	8	3½	—	—	76p
Imperial Gp.	80	1½	—	3½	1	10	2	"
Racal Elec.	180	33	—	45	5	50	—	206p
Racal Elec.	200	16	21	30	16	37	—	"
Racal Elec.	220	6½	58	18	27	28	—	"
RTZ	280	81	—	99	—	106	3	351p
RTZ	330	33	27	55	3	68	—	"
RTZ	360	14	17	37	19	47	—	"
Totals			146		126		5	

FINANCIAL TIMES STOCK INDICES

	Jan. 9	Jan. 8	Jan. 7	Jan. 4	Jan. 3	Jan. 2	A year ago
Government Secs.	65.34	65.30	65.07	65.09	64.80	64.61	66.17
Fixed Interest	66.29	66.29	66.05	65.94	65.43	65.51	70.48
Industrial	423.5	415.6	419.9	413.9	408.9	407.0	472.5
Gold Mines	266.5	279.2	286.4	280.2	303.1	286.6	154.1
Ord. Div. Yield	7.66	7.83	7.75	7.88	7.97	7.96	6.04
Earnings, Yld. % (full)	19.12	19.48	19.29	19.54	19.83	19.81	15.86
P/E Ratio (net) (*)	6.44	6.32	6.38	6.30	6.21	6.22	8.19
Total bargains	18,849	19,784	20,425	20,578	19,320	14,059	—
Equity turnover £m	—	96.16	71.20	82.06	96.17	85,650	84.97
Equity bargains total	—	12,706	14,116	13,679	14,787	1,0684	11,342

10 am 417.3. 11 am 423.6. Noon 422.1. 1 pm 421.7.

2 pm 421.7. 3 pm 421.7.

Latest Index 01-246 8026.

* Nil=6.21.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979/80 High	1979/80 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	65.30 (10/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (6/6)	64.06 (16/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.5 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	303.1 (3/1/80)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 9	Jan. 8
—Daily		
Gilt Edged	135.4	164.5
Industrials	105.8	107.8
Speculative	64.2	86.3
Totals	78.4	80.2
5-d'y A'vr'ge		
Gilt Edged	134.5	135.4
Industrials	105.8	96.0
Speculative	124.9	126.4
Totals	82.2	75.9

NEW HIGHS AND LOWS FOR 1979/80

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979-80.

NEW HIGHS (18)

STORES (1)

Mothercare

ELECTRICALS (1)

Thorpe (F. W.)

ENGINEERING (2)

Associated British — Westland

INDUSTRIALS (4)

De La Rue — Steinx Mfg.

Kennedy Smale — Wood Hall

TRUSTS (4)

Bremar Trust — Tyneside

Carliol — West of England

OIL & GAS (2)

Siebens (U.K.) — Woodside

MINES (4)

Loraine — Northern Mining

Eagle Corp. — Westmex

NEW LOWS (21)

BRITISH FUNDS (1)

Treasury 14pc '98-01 (£50 paid)

STORES (1)

Owen Owen

ELECTRICALS (1)

Audio Fidelity

ENGINEERING (2)

Stothert & Pitt — Weir

FOODS (1)

Barker & Dobson

INDUSTRIALS (7)

British Cargo Air 8pc Cnv. Pref. — I.C. Inds.

Erskine House — Inter-City

Grampian — Myson

Whatman Reeve Ang.

LEISURE (1)

Howard & Wyndham

PAPER (2)

BPC — Melody Mills

TEXTILES (2)

Corah — Ingram (H.)

TRUSTS (1)

London & Europ. Gp.

OVERSEAS TRADERS (1)

Great Northern

RUBBERS (1)

Grand Central

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	10	14	64
Corpns., Dom. and Foreign Bonds	12	4	50
Industrials	410	114	879
Financial and Prop.	256	33	209
Oils	16	6	22
Plantations	11	1	16
Mines	22	77	48
Others	74	20	66
Totals	811	269	1,354

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

		Wed., Jan. 9, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues. Jan. 8 Index No.	Mon. Jan. 7 Index No.	Fri. Jan. 4 Index No.	Thurs. Jan. 3 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	215.09	+1.1	20.02	7.16	6.32	212.71	213.82	211.62	208.87	235.72
2	Building Materials (27)	198.46	+0.9	19.81	7.55	6.48	196.62	196.82	194.79	194.08	208.65
3	Contracting, Construction (29)	316.80	—	29.15	7.57	4.24	316.73	317.41	314.57	313.08	361.22
4	Electricals (15)	560.77	+1.3	14.37	4.43	9.28	553.54	555.57	551.25	539.85	550.89
5	Engineering Contractors (11)	275.51	+0.4	28.14	9.29	4.05	275.31	275.56	277.45	276.64	365.36
6	Mechanical Engineering (74)	151.44	+1.4	22.95	8.49	5.67	149.29	150.45	148.61	146.46	184.02
8	Metals and Metal Forming (16)	147.54	+1.4	22.56	10.29	5.34	145.54	147.22	144.93	142.90	163.48
	CONSUMER GOODS										
11	(DURABLE) (50)	198.86	+3.6	18.06	6.11	6.82	191.96	192.73	189.68	184.82	211.47
12	Lt. Electronics, Radio, TV (15)	273.62	+5.0	14.20	4.69	8.98	264.65	260.99	259.53	247.36	268.27
13	Household Goods (14)	112.24	-0.4	26.97	9.65	4.49	112.70	112.72	112.06	111.74	166.72
14	Motors and Distributors (21)	104.42	+1.2	25.70	8.85	4.60	103.18	104.36	103.61	102.10	121.82
	CONSUMER GOODS										
21	(NON-DURABLE) (173)	208.13	+1.6	19.23	7.23	6.43	204.87	205.39	202.84	200.15	211.85
22	Breweries (14)	225.02	+1.0	17.16	6.86	6.85	222.59	224.12	221.88	249.93	233.54
23	Wines and Spirits (6)	300.00	+1.9	18.09	6.18	6.82	294.30	296.09	292.80	291.45	289.82
24	Entertainment, Catering (17)	279.25	+0.8	18.32	7.07	6.86	276.90	278.11	275.28	268.67	275.68
25	Food Manufacturing (19)	192.56	+1.2	21.05	7.55	5.88	190.25	190.87	189.79	187.29	201.16
26	Food Retailing (15)	296.92	+2.0	13.87	4.78	8.62	291.10	294.18	290.59	286.28	233.49
32	Newspapers, Publishing (13)	392.87	+1.1	23.24	7.34	5.95	388.43	387.23	384.58	378.52	386.10
33	Packaging and Paper (15)	134.24	+0.8	24.52	10.21	4.95	133.24	134.12	132.95	131.30	135.34
34	Stores (43)	199.88	+2.8	15.40	5.67	8.38	194.49	193.91	191.09	188.71	195.28
35	Textiles (25)	126.09	+0.9	28.85	12.84	4.40	124.91	125.69	124.85	123.65	181.42
36	Tobaccos (3)	202.45	+0.3	28.16	11.01	4.01	201.87	200.85	197.40	192.26	238.20
37	Toys and Games (6)	46.15	+1.6	35.47	15.51	3.56	45.41	[illegible]	[illegible]	[illegible]	91.48
41	OTHER GROUPS (98)	189.51	+1.4	16.50	7.09	7.38	186.82	186.89	185.89	184.19	198.30
42	Chemicals (18)	282.72	+1.3	17.22	7.05	6.71	279.21	282.30	279.39	276.80	276.36
43	Pharmaceutical Products (7)	198.98	+2.3	12.80	4.42	9.53	194.53	196.46	192.92	191.78	247.52
44	Office Equipment (6)	129.46	+0.6	21.30	8.16	6.47	128.73	130.07	129.39	126.45	137.58
45	Shipping (10)	414.68	+0.1	12.76	7.79	10.00	414.21	416.48	423.84	418.69	418.12
46	Miscellaneous (57)	220.96	+1.7	17.78	7.13	7.13	217.32	217.86	214.67	211.86	214.59
49	INDUSTRIAL GROUP (495)	211.33	+1.6	18.48	7.10	6.44	208.05	208.97	205.76	203.15	225.95
51	Oils (7)	679.25	+0.7	14.73	7.10	6.46	674.86	676.58	664.00	676.39	508.38
59	500 SHARE INDEX	247.96	+1.4	17.86	6.67	6.84	244.57	245.54	244.50	241.22	243.71
61	FINANCIAL GROUP (117)	179.86	-0.4	—	6.14	—	179.25	179.69	177.55	175.85	175.36
62	Banks (6)	212.40	-0.8	39.16	6.12	3.26	214.07	216.53	215.25	211.99	206.31
63	Discount Houses (10)	217.74	+1.2	—	9.31	—	215.31	213.81	213.01	212.39	228.64
64	Hire Purchase (5)	164.57	+1.4	21.26	5.71	5.95	162.25	165.28	164.90	164.72	144.58
65	Insurance (Life) (10)	151.29	—	—	6.87	—	152.94	153.36	153.45	151.80	137.90
66	Insurance (Composite) (8)	119.93	-0.1	—	9.12	—	120.09	119.33	118.59	117.85	123.21
67	Insurance Brokers (10)	274.28	-0.7	18.18	7.32	7.67	276.20	271.64	262.20	256.48	311.05
68	Merchant Banks (14)	89.83	+0.9	—	7.50	—	89.03	89.61	87.41	87.47	96.76
69	Property (44)	315.99	+2.1	4.17	3.40	33.86	309.57	311.79	307.21	304.69	277.51
70	Miscellaneous (10)	122.75	+1.1	15.68	7.38	8.49	121.45	122.38	121.20	119.62	113.62
71	Investment Trusts (109)	194.10	+1.3	—	6.31	—	191.64	192.93	190.63	188.97	208.32
81	Mining Finance (4)	174.70	+1.7	13.19	3.66	9.29	171.77	173.58	170.21	174.99	104.24
91	Overseas Traders (20)	333.69	+0.8	15.04	7.51	8.02	330.99	333.11	332.51	330.63	288.29
99	ALL-SHARE INDEX (750)	230.95	+1.2	—	6.84	—	228.22	229.15	227.61	225.06	225.22

FIXED INTEREST PRICE INDICES

	British Government	Wed. Jan. 9	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	100.59	+0.07	0.86	0.86
2	5-15 years	103.72	—	—	—
3	Over 15 years	107.36	-0.01	—	0.66
4	Irredeemables	112.12	+0.27	—	—
5	All stocks	103.63	+0.02	0.65	0.65

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

			Wed. Jan. 9	Tues. Jan. 8	Year ago (approx.)
1	Low Coupons	5 years	12.49	12.47	9.74
2		15 years	12.95	12.92	11.04
3		25 years	12.76	12.74	11.59
4	Medium Coupons	5 years	14.64	14.63	12.83
5		15 years	14.27	14.27	12.90
6		25 years	14.24	14.22	12.90
7	High Coupons	5 years	15.05	15.01	12.91
8		15 years	14.46	14.45	13.14
9		25 years	14.36	14.35	13.13
10	Irredeemables		12.13	12.16	11.86

		Wed., Jan. 9 Index No.	Yield %	Tues. Jan. 8	Mon. Jan. 7	Friday Jan. 4	Thurs. Jan. 3	Wed. Jan. 2	Mon. Dec. 31	Friday Dec. 28	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	49.28	14.99	49.12	49.12	49.28	49.24	49.33	49.38	49.86	54.79
16	Investment Trust Prefs. (15)	46.45	14.47	46.45	46.45	46.34	46.34	46.28	46.24	46.21	51.33
17	Coml. and Indl. Prefs. (20)	61.26	14.82	61.34	61.34	61.22	61.58	61.31	61.23	61.19	72.48

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 14p, by post 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979-80 high	1979-80 low
Cons. Gold Fields	25p	10	422	− 2	429	178
Tanks Cons.	50p	10	274	+26	274	158
Racal Electronics	25p	8	208	+ 9	276	168½
Glaxo	50p	7	448	+ 8	600	388
ICI	£1	7	363	+ 6	415	314
Marks & Spencer	25p	7	85	+ 4	134	76
RTZ	25p	7	354	+12	362	226
Shell Transport	25p	7	320	+ 2	402	278
BP	25p	6	330	+ 2	406	220½
GEC	25p	6	340	+ 4	456	311
GKN	£1	6	243	+ 3	308	226
Thorn Elect. 7% Cnv. 1992-99	£1	6	83½	+ 3	88¼	77½
Assoc. Dairies	25p	5	172	+ 6	204	126
BAT Inds.	25p	5	243	—	362	230
P. & O. Defd.	£1	5	114	+ 1	119	71

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan. 7	Jan. 18	Apr. 10	Apr. 21
Jan. 21	Feb. 1	Apr. 24	May 6
Feb. 4	Feb. 15	May 8	May 19

For rate indications see end of Share Information Service

In an active business, calls were dealt in Rothmans, Northern Engineering, Lister, Lonrho, Grand Metropolitan, Premier *Oil*, Status *Discount*, Brook Street Bureau, Ventersp ost, BOC, Silvermines, C. T. Bowring, BSG, Celtic Haven, Coronation Syndicate, Dunlop, Inveresk, Weir Group, French Kier, Hirst Mallinson and KCA. Puts were down in C. T. Bowring, S and U Stores, Westland Aircraft, and Swan Resources, while doubles were arranged in Town and City, Allied Colloids, J. E. Sanger, C. T. Bowring and British Land.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
170	F.P.	—	92	84	Hillo-Kil Chem. 10p	85	−1	b4.9	1.8	8.2	8.5
330	F.P.	15/2	163	138	B.P. 'New'	130					
80	F.P.	—	176	178	Conder Int. 10p	174					
‡	F.P.	25/1	197	186	Haynes P'blish'g 20p	185	+1	bd6.0	3.1	7.0	6.0
141	F.P.	—	56	41	Lontrim	42					
£1	F.P.	—	176	118	Radio Int.	175					
£11	F.P.	—	£10	£10½	Sol Mkt TstPrtRedPrf	£10½					
5	F.P.	11/1	7½	6	Spring Grove 10p	7½					
6R	F.P.	—	97	63	Worldwave HVDFL	86					

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price £	+ or −
	F.P.	19/12	94	90½	Amber Day 10¼% Cum. Red. Pref. '90-92	91	
	F.P.		104	101	B'nsn'th & District W'ter Red.Pref.1985	101	
	F.P.	21/1	93	92½	Bristol Waterworks 9¾% Red. Pref. 1984	93	
	F.P.	1/2	98	90	Dundonian 11¼% Cum. Conv. Pref.	96	
	F.P.		98p	96p	Hewitt (J.) 10p Cum Pref.	98p	
	F.P.		99	96	Hill Samuel Floating Rate Notes 1982	97	
$100	F.P.	25/1	91¾	91¼	Mid-Sussex Water 7% Red. Pref. 1985 New	91¼	
	F.P.	13/2	84p	79p	Thorn Elec. 7% Con. Red. 2nd Com Prf 92-99	84p	+1

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price p	+ or −
12½	Nil	24/1	4pm	2pm	Associated British Engineering	4pm	+1
40	Nil	—	11	8	Dundonian	10	+1
60	F.P.	3/1	89pm	29pm	Elson & Robbins	29pm	
760	F.P.	—	780	660	Hammerson Prop. & Inv. Trust	760	+20
82	Nil	—	7pm	3pm	Do. A	4pm	+1
45	Nil	—	45pm	20pm	Hanimex Corp.	20pm	
11	Nil	7/1	28/1	27½	Lesney/Leanvale Estates	27½	
27	F.P.	28/11	11/1	56	Newman Tonks	57	
60cts	Nil	—	300pm	180pm	Pancontinental	300pm	+20
200	F.P.	—	34	29	Pilkington Bros	29	
34	Nil	11/1	15pm	14pm	Wearwell	15pm	+1

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit. † Dealings under special rule.

LEADERS AND LAGGARDS

The following table shows the percentage changes † which have taken place since December 31, 1979, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Mining Finance	+ 6.06	Textiles	− 0.53
Gold Mines FT	+ 3.95	Office Equipment	− 0.56
Insurance Brokers	+ 3.23	Hire Purchase	− 0.65
Electronics, Radio and TV	+ 1.76	All-share Index	− 0.68
Stores	+ 1.74	500-share Index	− 0.70
Tobaccos	+ 1.46	Building Materials	− 0.79
Entertainment and Catering	+ 1.29	Food Retailing	− 1.01
Newspapers and Publishing	+ 1.15	Insurance (Composite)	− 1.30
Consumer Goods (Durable) Group	+ 0.82	Merchant Banks	− 1.67
Electricals	+ 0.72	Financial Group	− 1.72
Consumer Goods (Non-durable) Group	+ 0.55	Packaging and Paper	− 1.74
Chemicals	+ 0.54	Insurance (Life)	− 2.30
Wines and Spirits	+ 0.47	Property	− 2.29
Metal and Metal Forming	+ 0.44	Shipping	− 2.33
Pharmaceutical Products	+ 0.26	Contracting and Construction	− 2.46
Industrial Group	+ 0.17	Banks	− 2.86
Food Manufacturing	+ 0.04	Discount Houses	− 2.87
Breweries	− 0.10	Household Goods	− 3.18
Other Groups	− 0.19	Oils	− 3.46
Capital Goods Group	− 0.33	Engineering Contractors	− 4.36
Mechanical Engineering	− 0.33	Toys and Games	− 4.96
Motors and Distributors	− 0.42		
Overseas Traders	− 0.42		
Investment Trusts	− 0.44		

† Percentage change based on Tuesday, January 8, 1980, Indices.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey. 0534 27561
Lloyds Tst. O'seas. 55.4 58.3 — 2.26
Next dealing January 10.
[illegible]

Lloyds Bank International, Geneva
[illegible]

M & G Group
Three Quays, Tower Hill EC3R 6BQ. 01-626 4588
[illegible]

Midland Bank Tst. Corp. (Jersey) Ltd.
[illegible]

Samuel Montagu Ldn. Agents
[illegible]

Murray, Johnstone (Inv. Adviser)
[illegible]

Neg. S.A.
[illegible]

Negit Ltd.
[illegible]

Nat. Westminster Jersey Fd. Mgrs. Ltd.
[illegible]

Phoenix International
[illegible]

Providence Capitol Life Ass. (C.I.)
[illegible]

Quest Fund Mngmt. (Jersey) Ltd.
[illegible]

Richmond Life Ass. Ltd.
[illegible]

Rothschild Asset Mgt. (Bermuda)
P.O. Box 664, Bk. of Bermuda Bld., Bermuda
Reserve Assets Fd. US$9.61 9.82 — —
Prices on Dec. 31. Next dealing Jan. 9.

Royal Trust (C.I.) Fd. Mgt. Ltd.
P.O. Box 194, Royal Tst. Hse., Jersey. 0534 27441
R.T. Int'l. Fd. US$10.36 11.09 — 2.33
R.T. Int'l. (Jsy.) Fd. 78.0 83.0 — 3.73
Prices Jan. 8. Next dealing Jan. 15.

Save & Prosper International
[illegible]

Schlesinger International Mngt. Ltd.
[illegible]

Schroder Life Group
[illegible]

J. Henry Schroder Wagg & Co. Ltd.
[illegible]

Sentry Assurance International Ltd.
[illegible]

Singer & Friedlander Ldn. Agents
[illegible]

Standard Chartered Intl. Bd. Fd.
[illegible]

Stronghold Management Limited
[illegible]

Surinvest (Jersey) Ltd.
[illegible]

Surinvest Trust Managers Ltd.
[illegible]

TSB Unit Trust Managers (C.I.) Ltd.
[illegible]

TSB Gilt Fund Managers (C.I.) Ltd.
10 Wharf St., St. Helier, Jersey (CI). 0534 73494
TSB Gilt Fund 89.0 91.0 — 13.2
TSBGiltFd.(Jsy.) 89.0 91.0 — 13.2
Prices on January 9. Next sub. day January 16.

Tokyo Pacific Holdings N.V.
Intimis Management Co. N.V., Curacao.
NAV per share January 7. US$69.11.

Tokyo Pacific Hldgs. (Seaboard) N.V.
Intimis Management Co. N.V., Curacao.
NAV per share January 7 [illegible]

Tyndall Group
[illegible]

Unilife Assurance (Overseas) Ltd.
[illegible]

Union-Investment-Gesellschaft mbH
[illegible]

Utd. Intnl. Mngmnt. (C.I.) Ltd.
[illegible]

United States Tst. Intl. Adv. Co.
[illegible]

S. G. Warburg & Co. Ltd.
[illegible]

Warburg Invest. Mngt. Jrsy. Ltd.
[illegible]

Whittingdale Investment Services Ltd.
[illegible]

World Wide Growth Management
[illegible]

Wren Commodity Trust
[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Group (a)(g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mngmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd. (a)(c)

Barclays Unicorn Ltd. (a)(c)(g)

Baring Brothers & Co. Ltd.♥ (a)(x)

Bishopsgate Progressive Mgmt. Co.♥

Bridge Fund Managers (a)(c)

Britannia Trust Management (a)(g)

The British Life Office Ltd.♥ (a)

Brown Shipley & Co. Ltd.♥

Canada Life Unit Tst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.♥

Cardinal Unit Fd. Mgrs. Ltd.♥ (a)(c)

Charities Charities N/R Funds♥

Charities Official Invest. Fund♥

Chieftain Trust Managers Ltd.♥ (a)(g)

Confederation Funds Mgt. Ltd. (a)

Cosmopolitan Fund Managers (a)

Crescent Unit Tst. Mngrs. Ltd. (a)(g)

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmt. Ltd.

Equity & Law Un. Tr. M.♥ (a)(b)(c)

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr.♥ Mgrs.♥

Funds in Court

G.T. Unit Managers Ltd.♥

G. & A. Trust (a) (g)

Gartmore Fund Managers♥ (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)♥

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration♥ (a)(c)(g)

Hill Samuel Unit Tst. Mgrs.♥ (a)

Investment Intelligence Ltd.♥ (a)(g)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers♥

L & C Unit Trust Management Ltd.♥

Legal & General Tyndall Fund♥

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.♥ (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.*

M & G Group♥ (y)(c)(z)

ManuLife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.♥ (a)

Minster Fund Managers Ltd.

MLA Unit Trust Mngmt. Ltd.

Murray Johnstone U.T. Mgmt.♥ (a)

Mutual Unit Trust Managers♥ (a)(g)

National and Commercial

National Provident Inv. Mngrs. Ltd.♥

National Westminster♥ (a)

NEL Trust Managers Ltd.♥ (a)(g)

Northgate Unit Trust Managers Ltd.♥(c)(y)

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt.♥ (a)

Practical Invest. Co. Ltd.♥ (y)(c)

Provincial Life Inv. Co. Ltd.♥

Prudl. Portfolio Mngrs. Ltd.♥ (a)(b)(c)

Quilter Management Co. Ltd.♥

Reliance Unit Mgrs. Ltd.♥

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd.♥ (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group♥

Schlesinger Trust Mngrs. Ltd. (a)(z)

J. Henry Schroder Wagg & Co. Ltd.♥(a)(c)

Scottish Equitable Fnd. Mgrs. Ltd.♥

Sebag Unit Tst. Managers Ltd.♥ (a)

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd.(a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd.♥(a)(g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers♥

Transatlantic and Gen. Secs.♥ (c)(y)

Tyndall Managers Ltd.♥

TSB Unit Trusts (y)

Ulster Bank♥ (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

NOTES

Prices are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.♥

Canada Life Assurance Co.

Cannon Assurance Ltd.♥

Capital Life Assurance♥

Charterhouse Magna Gp.♥

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life Insurance Co. Ltd.♥

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.♥

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Gartmore Bonds

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.♥

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.♥

Guardian Royal Exchange

Hambro Life Assurance Limited♥

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.♥

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General (Unit Pensions) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.♥

M & G Group♥

Manufacturers Life Insurance Co.

Merchant Investors Assurance♥

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.♥

Norwich Union Insurance Group♥

Phoenix Assurance Co. Ltd.

Planned Savings Group

Prop. Equity & Life Ass. Co.♥

Property Growth Assur. Co. Ltd.♥

Provincial Life Assurance Co. Ltd.

Providence Capitol Life Ass. Co. Ltd.

Prudential Pensions Limited♦

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group♥

Schroder Life Group♥

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Solar Life Assurance Limited

Standard Life Assurance Company♥

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.♥

Tyndall Assurance/Pensions♥

Vanbrugh Life Assurance♥

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.♥

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive—Ldn. Agents

Bridge Management Ltd.

Britannia Tst. Mngmt. (C.I.) Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F. & C. Mgmt. Ltd. Inv. Advisers

Fidelity Mgmt. & Res. (Bda.) Ltd.

Fidelity Mgmt. Research (Jersey) Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Hambro Pacific Fund Mgmt. Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Baring Group

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Invest. Mgmt. Intnl.

N.V. Interbeheer

International Pacific Inv. Mgmt. Ltd.

J.E.T. Managers (Jersey) Ltd.

Jardine Fleming & Co. Ltd.

Leopold Joseph & Sons (Guernsey)

Kemp-Gee Management Jersey Ltd.

Keyser Ullman Ltd.

King & Shaxson Mngrs.

Kleinwort Benson Limited

Lazard Brothers & Co. (Jersey) Ltd.

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

1979-80 High	Low	Stock	Price £	+ or -	Int.	Red. Yield
95	81	Do. without Warrants	85½	.....	10.52	14.20
103¼	96	FFI 13pc 1981	97½	.....	13.33	15.64
108¼	94	Do. 14pc '83	95	-¼	14.73	15.72
86½	77½	ICFC 5½pc Deb. '80-82	81	.....	6.94	15.12
85	69	Do. 6¼pcDb. '81-84	72	+½	8.82	14.70
99	79½	Do. 10½pc Uns.Ln. '86	81½xd	.....	12.88	15.38
99	79	Do. 11pc Uns.Ln. '88	80½xd	.....	13.66	14.80
101½	80	Do. 11¾pc Uns.Ln. '90	82xd	.....	14.32	15.30
72½	54½	Do. 7¼pcADeb. '89-92	56½	.....	13.09	15.20
69	53	Do. 7¼pcA Db. '91-94	56½	.....	13.45	15.10
67½	64	Do.9pc'A' '91-94	67	.....	14.03	15.20
78½	61½	Do.8¾pcLn. '92-97	65	.....	14.56	15.20
102	85	Do. 12½pc. Uns. Ln.1992	89	+½	14.53	—

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

1979-80 High	Low	Stock	Price	+ or -	Div. Net	Cvr	Y'ld Gr's	P/E
110	59	Clive Dis'nt 20p	68	+6	5.33	—	11.2	—
224	121	Com'l Aus. ($A1)	133	.....	Q18c	3.0	6.9	4.8
*£17	903	Com'zbk DM 10	910xr	.....	Q26.69%	—	7.6	—
£18½	900	C'hgn.Hbk.Kr100	975	.....	Q12%	—	11.4	—
41	20	Corinthian 10p	36	+4	†1.05	5.9	4.2	4.1
£24¾	£15	Cred. France F75	£18	.....	Q9.87%	—	3.6	—
11	5	Dawes (G. R.)	9	.....	—	—	—	—
*£17⅝	£62½	Deutsche Bank DM50	£66¼	.....	Q18.12%	—	5.5	—
90	55	F. C. Finance	60	.....	2.2	4.9	5.2	5.5
10¼	5¼	First Nat. 10p	9½	.....	—	—	—	0.7
4	1½	Do. Wrrts. 75-83	2¾	.....	—	—	—	—
266	178	Gerrard Natnl.	208	+4	†9.12	—	6.3	—
74	38	Gibbs (A.)	68	-4	2.2	—	4.6	—
270	185	Gillett Bros. £1	193	+3	†16.95	—	12.5	—

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DIAMOND AND PLATINUM

MINES—Continued

CENTRAL AFRICAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
575	132	Falcon Rh.50c	560	−5	Q100c	φ	12.3
48	11	Rhod'n Corp. 16⅔p.	42	−2	0.56	6.5	1.9
260	70	Roan Cons. K4	240	−20	Q0.125	φ	3.2
67	26	Wankie Col. Rh.1	57	−1	Q9c	1.5	10.9
54	9	Zam.Cpr.SBD0.24	42	−4	—	—	—

AUSTRALIAN

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28	18	Acmex 50c	25	......	—	—	—
17	4	ACM 20c	13	......	—	—	—
82	50	Bond Corp.	80	......	Q3.75	2.2	2.4
171	100	Bougainville 50 Toea	144	+1	†Q15c	1.0	5.5
218	84	BH South 50c	212	−3	♦—	—	—
£17¼	340	Central Pacific	£17¼	+¼	—	—	—
318	170	Conzinc Riotinto 50c.	271	+23	NQ10c	2.0	1.9
36	14	Cultus Pacific N.L.	21	......	—	—	—
*38	2½	Eagle Corp. 10c	38	+1	—	—	—
21½	11	Endeavour 20c	19	−1	—	—	—
204	62	G. M. Kalgoorlie 25c	185	−2	Q3c	—	0.8
305	148	Hamptn Areas 5p.	260	−5	3.5	2.8	1.9
75	20	Haoma Gold N.L.	33	+1	—	—	—
71½	25	Metals Ex. 50c	42	+1	—	—	—
238	134	M.I.M. Hldgs. 50c	230	+3	NQ16.1c	1.8	3.6
25	15	Minefields Expl.	20	......	—	—	—
78	30	Mount Lyell 25c	64	......	—	—	—
44	15	Newmetal 20c	25	−1	—	—	—
167	91	††North B. Hill 50c.	143	−1	Q12c	1.4	4.3
53	4½	Nth. Kalgurli	45	−1	—	—	—
165	45	Nth. Mining Corp.	158	+18	—	—	—
71	18	N. West Mining N.L.	26	+2	—	—	—
193	76	Oakbridge SA1	184	−1	Q12c	4.7	3.4
110	22	Oilmin N. L.	100	......	—	—	—
134	58	Pacific Copper	128	......	—	—	—
*585	101	Pancont'l 25c	345	+15	—	—	—
71	15½	Paringa M&Ex.5p	71	+5	—	—	—
450	248½	Peko-Wallsend 50c.	410	+5	tQ17.5c	φ	2.2
202	125	Seltrust A	178	+4	—	—	—
715	145	Southern Pacific	685	......	—	—	—
*45	8½	Swan Resources 20c.	44	−1	—	—	—
16	12	West Coast 25c	13	......	—	—	—
205	121	Westn. Mining 50c.	185	−3	Q7c	1.6	2.0
27	8	Westmex	27	+7	—	—	—
70	40	Whim Creek 20c.	60	......	—	—	—
25	10½	York Resources	10½	......	—	—	—

TINS

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	27	......	1.0	1.9	5.3
435	265	Ayer Hitam $M1	285	......	Q290c	0.9	20.7
72	48	Beralt Tin	49xd	......	4.5	φ	13.1
270	155	Berjuntai $M1	170	......	Q95c	1.0	11.8
190	125	Geevor	153xd	......	8.71	3.1	8.1
10½	8	Gold & Base 12½p	10	......	—	—	—
365	295	Gopeng Cons.	310	......	Z17.0	φ	7.8
370	289	Hongkong	300	......	35.87	φ	17.1
98	64	Idris 10p	90	......	†8.0	1.6	12.7
15	9½	Jantar 12½p	15	......	—	—	—
95	38	Kamunting $M0.50.	64xd	......	Q47½c	1.1	16.7
620	210	Killinghall $M1	300	......	Z060c	—	4.1
530	365	Malay Dredging $M1	525	+15	†Q105c	2.6	4.1
57	26	Pahang	27	......	0.44	0.3	2.4
123	60	Pengkalen 10p	108	......	Z4.0	φ	3.4
275	195	Petaling $M1	230	......	Q150c	φ	13.3
87	53	Saint Piran	57xd	......	‡2.5	6.4	‡
58	34	South Crofty 10p	41xd	......	‡3.0	2.0	‡
230	170	South Kinta $M0.50.	195xd	......	Q150c	1.0	15.7
430	285	Sthn Malayan $M1	355	......	Q175c	2.1	10.0
310	210	Sungei Besi $M1	230xd	......	†Q520c	1.0	0.5
75	25	Supreme Corp. $M1	28	......	Z010c	—	7.3
105	93	Tanjong 15p	97	......	7.5	0.7	11.0
115	90	Tongkah H. Tin	95	......	Q45c	1.3	10.6
280	190	Tronoh $M1	225	......	†Q25c	5.2	2.3

COPPER

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
142	56	Messina R0.50	130xd	−6	Q10c	φ	4.4

MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
81	54	Barymin	60	+2	—	—	—
14½	10	Burma Mines 17½p	12	......	—	—	—
380	170	Cons. Murch. 10c.	350xd	−15	Q100c	φ	16.4
470	280	Northgate C$1	440	−10	—	—	—
362	226	R.T.Z.	354	+12	†11.5	3.4	4.6
31	12	Robert Mines	22	......	—	—	—
65	26	Sabina Inds. C$1.	37	−2	—	—	—
880	470	Tara Expln. $1	540	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distributions and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♦ Excluding a final dividend declaration.
- ✦ Regional price.
- ǁ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 36

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	......
Bertam	16	......
Bdg'wtr. Est. 50p	350	+5
Clover Croft	38	......
Craig & Rose £1	£10½	......
Dyson (R. A.) A	7	......
Fife Forge	43	......
Finlay Pkg. 5p	19	......
Graig Ship. £1	825	......
Higsons Brew	79	+1
Holt (Jos) 25p	255	......
I.O.M. Stm. £1	162	+2
Pearce (C. H.)	350	......
Peel Mills	29	......
Sheff. Refrshmt	96	......
Sindall (Wm.)	165	......

IRISH

Conv. 9% '80/82	£85¼	......
Nat. 9¾% 84/89	£69¾xd	+⅛
Fin. 13% 97/02	£83	+½
Alliance Gas	66	......
Arnott	340	......
Carroll (P.J.)	52xd	......
Clondalkin	85	......
Concrete Prods.	88	......
Heiton (Hldgs.)	31	......
Ins. Corp.	200	......
Irish Ropes	72½xd	......
Jacob	33	......
T.M.G.	135	−5
Unidare	80	......

OPTIONS
3-month Call Rates

Industrials

A. Brew	8	I.C.I.	20	Tube Invest.	27
BOC Intl.	6	"Imps"	8	Unilever	40
B.S.R.	5	I.C.L.	45	U.D.T.	4
Babcock	12	Inveresk	5	Utd. Drapery	10
Barclays Bank	30	KCA	3½	Vickers	18
Beecham	13	Ladbroke	17	Woolworths	6½
Blue Circle	25	Legal & Gen.	14	**Property**	
Boots	17	Lex Service	11	Brit. Land	7
Bowaters	16	Lloyds Bank	24	Cap. Counties	9
B.A.T.	25	"Lofs"	3½	Land Secs.	25
Brown (J.)	7½	London Brick	6	MEPC	17
Burton 'A'	25	Lonrho	6	Peachey	13
Cadburys	5½	Lucas Inds.	20	Samuel Props.	14
Courtaulds	8	"Mams"	15	Town & City	2
Debenhams	8	Mrks. & Spncr	10	**Oils**	
Distillers	21	Midland Bank	30	Brit. Petroleum	95
Dunlop	6	N.E.I.	5	Burmah Oil	15
Eagle Star	14	Nat. West. Bank	28	Charterhall	5
E.M.I.	12	P & O Dfd.	10	Premier	4
Gen. Accident	21	Plessey	10	Shell	30
Gen. Electric	35	Racal Elect.	22	Ultramar	22
Glaxo	40	R.H.M.	4½	**Mines**	
Grand Met.	13	Rank Org.	18	Charter Cons.	16
G.U.S. 'A'	30	Reed Intnl.	17	Cons. Gold	32
Guardian	23	Sears	5½	Rio T. Zinc	26
G.K.N.	22	Spillers	4½		
Hawker Sidd	16	Tesco	7		
House of Fraser	14	Thorn	35		
		Trust Houses	14		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday January 10 1980

Moscow calls off Bonn talks

BY JONATHAN CARR IN BONN

A MEETING of the joint Soviet-West German economic affairs committee planned for the end of this month in Bonn has been postponed indefinitely at Moscow's request, apparently because of the Afghanistan crisis.

Mr. Nikolai Tikhonov, Soviet First Deputy Prime Minister, who was to have led Moscow's delegation to the meeting, is understood to have conveyed the postponement instruction this week.

Officially, Mr. Tikhonov was said to have difficulties in meeting the date, partly because of extra duties resulting from the poor health of Mr. Alexei Kosygin, the Soviet Premier. However, apparently Moscow's action may have pre-empted a similar request from the West Germans.

Count Otto Lambsdorff, the West German Economics Minister, would doubtless have found it hard to press ahead with talks on economic co-operation when the West is discussing reprisals against the Soviet Union because of its intervention in Afghanistan.

While supporting moves on *Afghanistan by the United* Nations and NATO, Bonn believes that European Community countries have an additional role to play, since they include France, which is not a member of NATO's military structure.

The West Germans are thus pressing for a joint position by EEC Foreign Ministers. They want the talks to be held next Tuesday, when a regular EEC Council session is planned.

Bonn would like to see all EEC members supporting in*creased aid to Turkey and* Pakistan, now held to be under increased Soviet threat. It wants a political drive to emphasise Europe's solidarity with the independent states of the Third World, and EEC support for a closer association of Middle East states to defend *their own interests against* great power hegemony.

Robert Mauthner adds from Paris: France and West Germany agreed yesterday that the Soviet intervention in Afghanistan had struck a serious blow at the policy of East-West détente, but that precipitate action leading to a resumption of the Cold War should be avoided.

At a hastily arranged meeting here, President Giscard d'Estaing and Herr Helmut Schmidt, the West German Chancellor, found their appreciation of the situations in Afghanistan and Iran very similar.

Earlier, the French Cabinet had sharply condemned the Soviet *invasion.* A communiqué said that the action in Afghanistan was contrary to the fundamental principles governing international relations and to France's policy.

It used much tougher language than that employed in previous statements by officials, and said that the Soviet intervention had undermined the policy of détente to which France was "sincerely, but not unconditionally." attached.

The French Government would not abandon its efforts to achieve détente, the alternative to which was a return to Cold War policies. Nevertheless, France considered that positive gestures were required from the Soviet Union before a climate of confidence could be re-established.

The right of the Afghan people to determine their own destiny was specifically mentioned.

France and West Germany have ruled out economic *reprisals of the kind taken by* the U.S. on the ground that they might lead to even greater international tension.

The "convergence of views" between President Giscard and Herr Schmidt also applied to their discussions on other international problems, *such as the* question of Britain's contribution to the EEC budget.

U.S. dockers boycott Russians

BY JOHN EDWARDS, COMMODITIES EDITOR

THE ANNOUNCEMENT that U.S. dockers would boycott any shipments to the Soviet Union brought sharply lower grain and oilseed prices when the Chicago markets opened yesterday after a two-day suspension.

The markets were closed by order of President Carter, when announcing the halting of grain sales to Russia, to avoid a price collapse and provide a breathing space while further measures were worked out.

It was expected that the U.S. Government's decision to buy up the surplus grain it had prevented being exported to Russia would help stabilise the markets.

But the U.S. dock union's decision to refuse to load any cargo to Russia means that 3m more tonnes of grain already destined for Russia and not included in the embargo may now be held up.

Mr. Thomas W. Gleason, president of the International Longshoremen's Association in New York, said he would contact unions on the West Coast and in Canada to ask for their support.

Mr. Carter originally pledged to provide Russia with 8m tonnes of grain, contracted under a long-term deal, but to withhold an extra 17m tonnes wanted by Russia this season.

The U.S. dockers' boycott might restrict sales to the Soviet Union to less than 5m tonnes.

Meanwhile the views of other leading grain-exporting countries which have been called to a meeting in Washington on Friday to discuss the embargo are becoming clearer.

The European Commission and Australia confirmed yesterday that they would not undermine the embargo by seeking to make fresh sales to Russia.

The Canadian Wheat Board claimed yesterday that the country had not yet pledged to restrict sales to Russia and would wait and see what was decided by other exporters on Friday.

Argentina, potentially the biggest alternative source of feed grain, is sitting on the fence, but appears reluctant to back the embargo.

EEC not to sell wheat to Russia, Page 35

BP to refine oil for Saudis

BY RAY DAFTER, ENERGY EDITOR

BRITISH PETROLEUM refineries in Europe will process 50,000 barrels of Saudi Arabia's crude oil a day in a deal which has added a new dimension to the world oil market. The agreement is with the Kingdom's Petromin energy group and unnamed Saudi associates.

Both Saudi Arabia and Iran are asking Western oil groups to refine crude oil on their behalf. Mr. Ali Akhbar Moinfar, the Iranian Oil Minister, has already said he sees such agreements as a way to increase oil revenue without raising crude oil production. Iran wanted to be a partner in the profit from higher value refined oil.

The Saudi Arabian deal *opens* up a possible new source for BP. Until now Saudi crude has been sold to U.S. companies.

Under the contract—which BP said was concluded "under normal commercial arrangements"—some of the processed oil will probably be shipped to Saudi Arabia for internal consumption. A further proportion will be marketed by Petromin. BP hopes to be able to retain some for its own use.

Other companies are known to be negotiating similar deals with Petromin. Mobil Oil confirmed that it had submitted proposals but negotiations had not yet been completed.

The industry estimates up to 170,000 barrels a day of Saudi crude will be refined in Europe on behalf of Saudi Arabia. (A barrel contains 35 Imperial gallons.)

BP and Shell have also confirmed that they are negotiating processing deals with the National Iranian Oil Company.

Britain's Energy Secretary, Mr. David Howell, left Saudi Arabia yesterday after two days of talks with senior officials, including Sheikh Yamani, the Oil Minister, on the state of the oil market.

He was far from optimistic about a drop in price in the next quarter, as many analysts, including Sheikh Yamani, have forecast. Their analysis is based on the assumption that a surplus of oil is being absorbed by the building of inventories, and that this will level off.

Mr. Howell said that because of doubts about the stability of Iranian exports and anxiety over the Soviet involvement in Afghanistan, there would not necessarily be a return to normal inventories.

"Given the very high level of international tension, people are going to want to fill every tea cup. The surplus may affect the peak of the spot market, but is unlikely to bring down government selling prices."

● North Sea oil producers have still to fix January 1980 prices for their output, but it is understood that the British National Oil Corporation is pressing for a reference price of around $29.75 a barrel.

BNOC is the major trader of North Sea crude and, as such, a leading influence on prices. The Government has told it that it must not impose prices above those charged for competitive African crudes. African oil now costs between $30 and $34.72 a barrel, but North Sea companies have been awaiting official confirmation from the African producers before setting their own prices.

BP, one of the major North Sea producers, said last night that it was still negotiating a price for its UK oil.

Uranium plant for Cheshire

BY DAVID FISHLOCK, SCIENCE EDITOR

THE MINISTRY of Defence has ordered a nuclear plant to make highly enriched uranium by the gas centrifuge process, which will fuel the pressurised water reactors in Britain's fleet of 15 seagoing and one shore-based nuclear submarines.

It is part of a long-term commitment to a naval nuclear deterrent which includes the £450-£500m Polaris improvement programme, launched in the mid-1970s and designed to ensure that Britain's four Polaris submarines continue into the 1990s.

Hitherto, Britain has purchased highly enriched uranium for this purpose from the U.S. Government, for manufacture into fuel plates by Rolls-Royce *and Associates, its nuclear con*tractor.

Submarine reactor fuel is enriched to the same level as nuclear explosive — more than 90 per cent — so as to obtain a high performance from the small size of PWR used in a submarine.

It has been authoritatively suggested that a nuclear submarine requires about 300 kilograms of 90 per cent enriched uranium to operate for 10 years.

The new enrichment plant is *to be built* for the Defence Ministry at Capenhurst in Cheshire, by British Nuclear Fuels. The site was used to make highly enriched uranium for nuclear weapons until 1963.

The Capenhurst factory is now the site of a new enrichment factory using the gas centrifuge process, owned by Urenco, an Anglo-German-Dutch group in which British Nuclear Fuels is one-third shareholder.

British Nuclear Fuels is already commissioning another new factory for the Defence Ministry, at Chapelcross in Scotland, where it will make tritium. This nuclear explosive is used in thermo-nuclear weapons (H-bombs), which Britain has also been purchasing from the U.S. Government.

The Defence Ministry will not disclose details of output or the cost of the new gas centrifuge plant, beyond saying that it is expected to be on-stream by the mid-1980s and will create about 200 permanent jobs.

It will be owned by the Ministry, and will therefore be entirely separate from the Urenco plants already operating and under construction at Capenhurst. But *for commercial as well as military security,* the site is already closely guarded.

However, the new plant is to be accessible to the nuclear inspectors of the Government's Health and Safety Executive.

The enriched uranium will be delivered to Rolls-Royce's submarine fuel core factory at Derby. These cores make up some 23.5 per cent of the total value of the reactor, excluding the cost of the enriched uranium itself.

The other three shareholders in Rolls-Royce and Associates are Babcock International, which supplies the 30-ton reactor vessel; Foster Wheeler, which provides the two 25-ton steam generators; and Vickers, which supplies the core barrel, emergency cooling system, and complete shipboard installation.

American News, Page 4

Weather

UK TODAY

CLOUDY with some bright spells. Cold.

London, Midlands, Wales, S.W. Scotland, N.E. Scotland, C. Highlands
Mainly dry with bright periods. Max. 43F (6C).

E. England, E. Scotland, N.W. Scotland, Orkney, Shetland
Cloudy with wintry showers Max. 43F (6C).

S.E. England, Cent. S. England, *S.W. England, Channel Is.*
Cloudy after rain or snow. Max. 43F (6C).

Outlook: Mainly dry and cold.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Amsdm.	C	1	34	Jo'burg	S	20	68
Athens	F	10	50	L. Pims.	S	20	68
Bahrain	C	17	63	Lisbon	F	13	55
Barclna.	F	10	50	London	C	4	39
Belfast	R	4	39	Luxmbg.	C	—1	30
Belgrd.	F	0	32	Madrid	Fg	2	36
Berlin	Sn	—4	25	Majorca	C	11	52
Biarritz	C	10	50	Malaga	S	17	63
Bmghm.	C	2	36	Malta	F	15	59
Blackp'l	C	3	37	Mchstr.	C	3	37
Bordx.	C	7	45	Melbne.	C	22	72
Bristol	C	3	37	Mex. C.	S	20	67
Brussels	C	0	32	M'ntreal	C	—7	19
B. Aires	S	35	95	M'sc'w	Sn	—12	10
Cairo	S	18	64	Munich	C	—3	27
Cardiff	C	3	37	Nairobi	S	25	76
Cape T.	S	24	75	Naples	S	8	46
Chicago	S	—11	12	Nwcstl.	C	2	36
Cologne	C	2	36	N. York	C	—1	30
Cpnhgn.	Sn	—1	30	Nice	C	8	46
Dublin	R	5	41	Oslo	Sn	—6	21
Ednbgh.	F	1	34	Paris	C	0	32
Florence	C	3	37	Perth	C	23	73
Geneva	Sn	0	32	Rio J'o	S	26	78
Gibrltr.	S	16	61	Rome	F	12	54
Glasgow	C	3	37	Singapr.	S	31	88
G'nsey	R	3	37	Stckhm.	C	—3	27
H. Kong	S	19	66	Sydney	S	24	75
Innsbrk.	S	—3	27	Tokyo	C	4	39
Invrnss.	F	3	37	Toronto	S	—8	18
I.o.Man	R	3	37	Venice	C	0	32
Jersey	C	3	37	Vienna	C	—2	28

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Continued from Page 1

Backing for U.S.

legal obstacles in taking financial sanctions.

In several European countries, including Britain and France, the freezing of Iranian assets in U.S. bank branches has been contested in the courts.

The Carter Administration still hopes there will be a Security Council debate and vote on Iranian sanctions by the end of this week, though its diplomats in New York have been urged by other countries not to press a timetable on the controversial issue too hard.

With U.S.-Soviet relations at their lowest ebb for many years over the Afghan crisis, the Soviets may well veto a sanctions resolution on Iran. If that happens, *the prospect of co*ordinated Western financial pressure on Iran may become doubtful, though officials in Washington appear to believe that Europe and Japan have now morally committed themselves to some action, whatever the UN does.

Home tourist industry fear

DAR PETROL at home while air fares stay comparatively cheap means the boom in overseas holidays will continue at the expense of staying in Britain, according to forecasts from the English Tourist Board.

Long holidays in Britain will continue to fall in popularity — though only marginally — for at least the next decade, it is predicted.

But the domestic tourism industry will do better on short breaks, with a 34 per cent increase expected by 1995 in nights spent on holidays of up to three nights.

Engineers promised speedy decisions

By Hazel Duffy, Industrial Correspondent

THE GOVERNMENT has promised to make speedy decisions on the proposals of the Finniston Inquiry into the engineering profession which calls for far-reaching changes in the structure of the profession and the education and training of engineers.

Sir Keith Joseph, Industry Secretary, said yesterday on the publication of the report, that the Government intends to treat it with "intense seriousness and as much urgency as is possible within the requirements of due consultation." While the Government does not have any immediate reaction to the recommendations, "it does have deep-seated reactions to the subject of the report." He hoped that the Government could make recommendations on the main proposals by the summer.

The report strongly links the neglect of engineering in Britain over a long period with the decline of manufacturing industry. It criticises employers for not making good use of engineers, condemns the inadequate liaison between industry and the academic institutions on the education and training of engineers, and calls for engineering to become a much closer part of the commercial decisions in industry.

Specific proposals, on which the Government is asking for reactions from interested bodies by the end of March, include:

● The establishment of an Engineering Authority. Appointments to the authority to be made by the Industry Secretary initially. The cost of running it is put at around £10m annually in the early stages.

● The establishment of a statutory register of qualified engineers.

● A three-tier system of engineering education to be set up and accredited by the authority. Additional funding for the establishment and maintenance of such courses to be earmarked by the University Grants Committee.

● A statutory right of paid leave for all registered engineers which would allow for the continued training of qualified engineers.

● The engineering institutions to cease being registering bodies only but to play an active part in advising the authority. They should expand their activities as learned societies.

The initial reaction of employers, who will have a vital part to play both in funding and supporting the Finniston proposals if these should be adopted, was mixed. The Confederation of British Industry welcomed the opportunity for a "critical appraisal of the education, training and development of engineers and believes there is a need for a close relationship between engineering degree courses and in-company training." On registration, however, it commented: "We will consult our members on the proposals although employers have not so far favoured more widespread licensing of engineers."

The Engineering Employers' Federation supported the creation of the authority, but said that it must be kept small.

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Haughey aims to cut spending

By Our Dublin Correspondent

MR. CHARLES HAUGHEY, the Irish Prime Minister, last night announced plans to cut Government spending and borrowing.

His Ministerial broadcast signalled a return to financial orthodoxy and put an end to the policies of Mr. Jack Lynch, his predecessor, which concentrated on growth and employment but at a high cost in terms of borrowing and the balance of payments.

Mr. Haughey revealed that the balance of payments deficit for last year will be 760m Irish pounds, more than £100m worse than previous estimates. Government borrowing, too, at over 14 per cent of Gross National Product is slightly higher than anticipated.

Mr. Haughey said the Government was already taking too much in taxes but even this did not meet commitments. There had to be a reorganisation of Government spending. The details will presumably not be given before next month's budget.

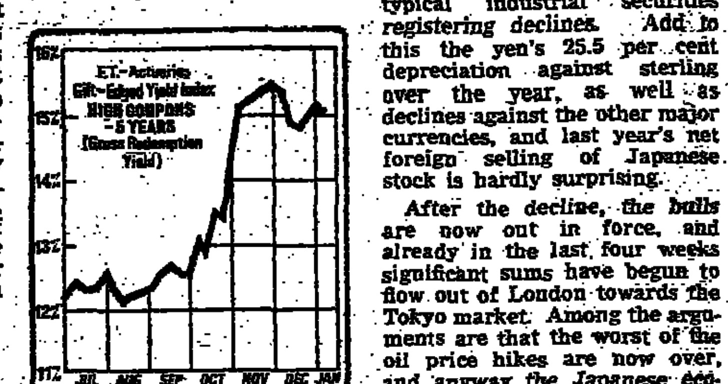
Much of Mr. Haughey's speech was an appeal for improved industrial relations. He said any further stoppages in key sectors this year would be a disaster. A commission on industrial relations, set up in 1978, would report in about six months.

THE LEX COLUMN

Airborne again at Westland

Now that brokers no longer receive commission from the Bank of England on subscriptions to new issues of gilt-edged stock, their eagerness to put their clients into a new tap has perceptibly diminished. It looks as though Exchequer 14 per cent 1984 will have a quiet start to life in Watling Street this morning, even though at its minimum price of £96½ it is very much in line with the market. The long tap is still dormant, but some official sales of Exchequer 3 per cent 1984 were made yesterday, a good day for the low coupon stocks in general, at £69¼.

Index rose 7.9 to 423.5



Westland

Westland has come good in 1978-79 following two years of heavy losses on contracts for Lynx helicopters and Super 4 hovercraft. A year ago, it reported a group loss of £2.9m pre-tax after provisions of £16.2m. This time, there is a pre-tax profit of £15.3m, and the only special charge is the settlement of a long standing dispute with Vickers for £750,000. Last year's dividend cut has been more than restored, and a relieved stock market pushed the shares 12½p higher to 69p where they yield 8.6 per cent.

There is further scope for real progress in the next couple of years. Around £40m of last year's helicopter sales (over a quarter of the total) stemmed *from the problem Lynx contract* and made no contribution to profits. This contract will at last be finished in the current year, and although productivity still leaves something to be desired Westland is now making profits on all the rest of its Lynx business. *The workload is satis*factory for the next couple of years, and Westland is confident that it will retrieve something out of its Egyptian venture — whether compensation or orders — despite the break up of the Arab Organisation for *Industrialisation.*

Elsewhere the outlook for hovercraft over the next year or two has been much improved by Middle East orders for 20 SR.N6 machines. And the control equipment and systems business continues to grow rapidly, with profits now up to £4.8m before interest.

However inflation boosts Westland's reported figures more than it does for many companies. On an adjusted basis, the pre-tax figure drops to £6.4m, leaving the dividend covered about 1¼ times. Westland has yet to show that the Lynx can pick up big army orders (most have gone to navies so far). And there are questions about its ability to deliver a profitable Sea King replacement and break into the civil market in the latter half of the decade. The group is now in the most profitable phase of its business cycle, but it still has a lot to prove.

Hogg Robinson

For the second year running, Hogg Robinson's profits are going to be lower in 1979-80, although not by as much as the 19 per cent fall to £2.73m pre-tax registered after six months. Sterling has been uncomfortably strong in the first half, accounting for perhaps ten points of the profits setback, while delays in documentation, as hard-pressed reinsurance companies hold on to money, have knocked off another £100,000 or so. Generally soft premium rates, too, have taken a toll.

Lloyd's underwriting agency income is likely to fall from £1.6m to under £1m for the full year, in the wake of the computer leasing troubles. Still, the group is hoping that overall the second half will only show slightly lower profits, in which case the year as a whole could produce £8m or a little more compared with £9.2m. So although the trading climate could well stay difficult, the shares yield a twice covered 8.7 per cent at 86p, and do not lean too heavily on speculative interest.

Japanese equities

International investors in Japan have just experienced a depressing year. The Tokyo New Stock Exchange index is now a shade under 460—much the same level as at the beginning of 1979. The index has been underpinned by huge rises in a few energy stocks, leaving typical industrial securities *registering declines.* Add to this the yen's 25.5 per cent depreciation against sterling over the year, as well as declines against the other major currencies, and last year's net foreign selling of Japanese stock is hardly surprising.

After the decline, the bulls are now out in force, and already in the last four weeks significant sums have begun to flow out of London towards the Tokyo market. Among the arguments are that the worst of the oil price hikes are now over, and anyway the Japanese economy proved after 1974 that its dependence on energy imports need not be a major handicap. Oil inventories in the private sector have in any case been built up from about 70 days' supply to more than 100 days. The economy is poised to grow by 4 per cent in the next financial year, while inflation should peak before the summer.

Meanwhile the trade deficit gives the economy political room for an export comeback after the domestic boom, which the cheap yen will hardly discourage. Japanese institutions are believed to be flush with cash after being net sellers of equities last year and planning to move back into the market. Finally, the yen is now seriously under-valued in terms of purchasing power parities.

Yet, while the internal factors may be encouraging, the yen and share prices could still prove vulnerable to external developments. Oil remains critical, and while there are now *some forecasts of a short-term* supply surplus world-wide, over the long-term Japan's position remains delicate. Other jokers in the pack could be signs of success for Connally in the U.S. election race, since he is associated with a tough protectionist *line, and the Japanese Upper* House election in the summer.

Typical estimates for the growth of the Tokyo index over 1980 are in the 10 to 15 per cent region, although wide variation between sectors is expected. Among the better-performing sectors are likely to be defence-related stocks, as Japan becomes more self-sufficient in arms, and pharmaceuticals, which are poised to become export oriented. Finaly, in a market that relies heavily on fashion the consensus view in favour of high technology stocks that appears to be developing is itself important.

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